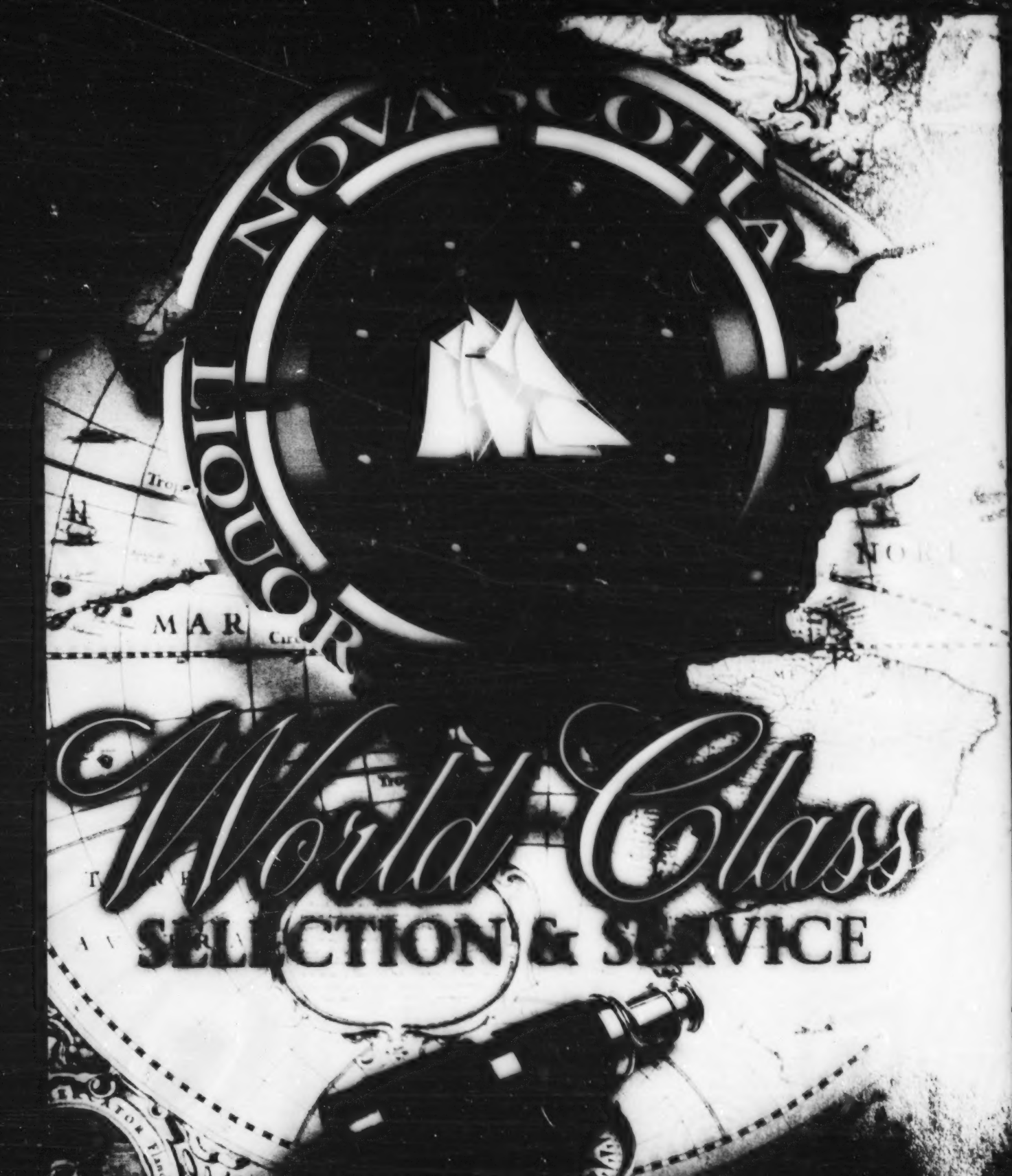

NOVA SCOTIA
LIQUOR
World Class
SELECTION & SERVICE

Nova Scotia

Minister Responsible for the Administration of the Liquor Control Act

1800 Argyle Street, Suite 607
Halifax, NS B3J 2R5

Her Honour
The Honourable Myra A. Freeman
Lieutenant Governor of Nova Scotia

May It Please Your Honour:

I have the honour to submit herewith a report of the Nova Scotia Liquor Corporation for the fiscal year ended March 31, 2002.

Rodney MacDonald

Rodney MacDonald
Minister Responsible for the Administration of the Liquor Control Act.

Nova Scotia Liquor Corporation

The Honourable Peter L. McCreath
Board Chair

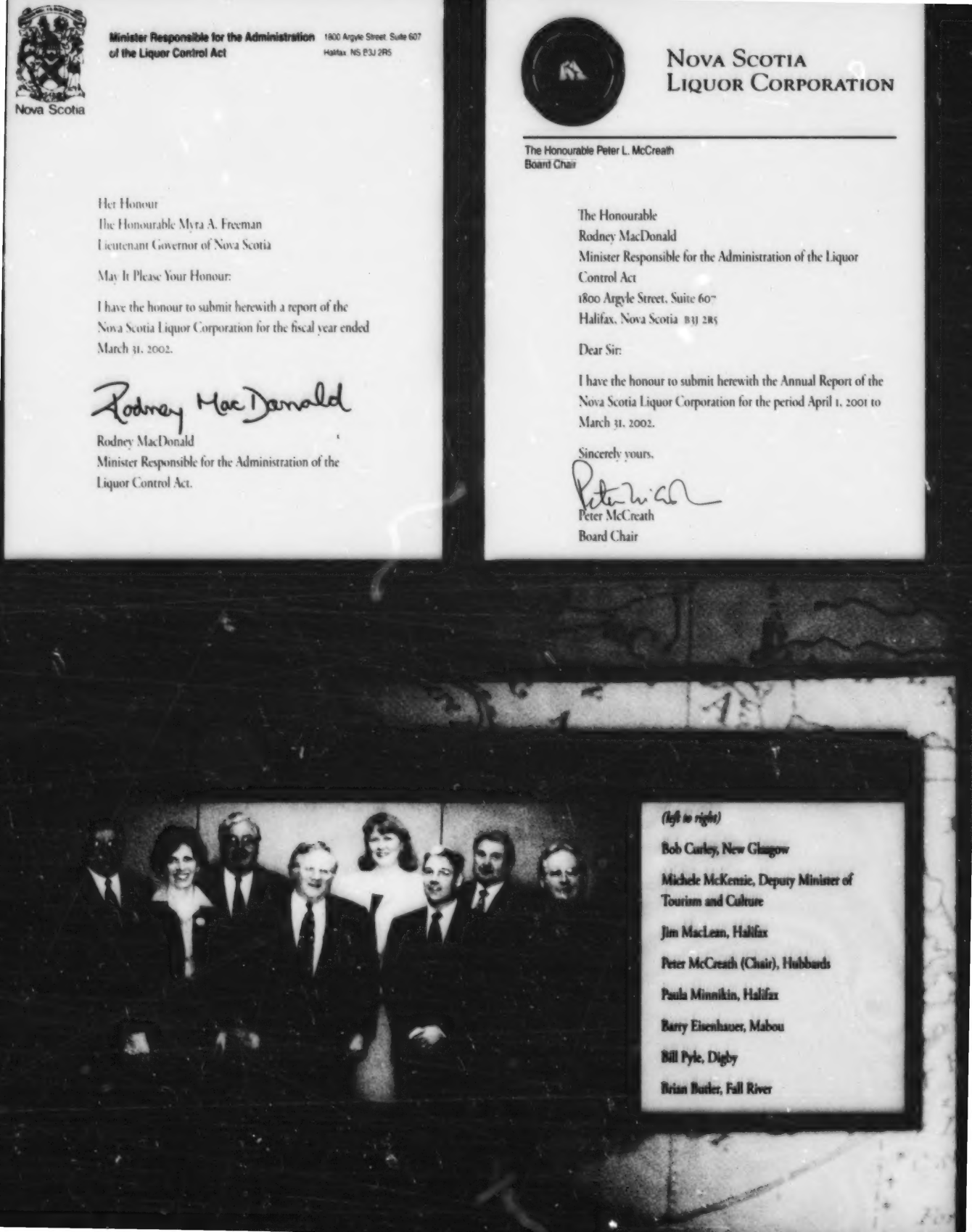
The Honourable
Rodney MacDonald
Minister Responsible for the Administration of the Liquor Control Act
1800 Argyle Street, Suite 607
Halifax, Nova Scotia B3J 2R5

Dear Sir:

I have the honour to submit herewith the Annual Report of the Nova Scotia Liquor Corporation for the period April 1, 2001 to March 31, 2002.

Sincerely yours,

Peter McCreath
Board Chair



(left to right)

Bob Curley, New Glasgow

Michele McKenzie, Deputy Minister of Tourism and Culture

Jim MacLean, Halifax

Peter McCreath (Chair), Hubbards

Paula Minnikin, Halifax

Barry Eisenhauer, Mabou

Bill Pyle, Digby

Brian Butler, Fall River

It is with great pleasure that I present the Nova Scotia Liquor Corporation's seventy-second Annual Report, which covers our business operations for the fiscal period April 1, 2001 to March 31, 2002. Our dedicated team ensured we had another successful year, contributing over $143 million to the province of Nova Scotia.

The past year has seen major milestone changes for the organization. In July 2001 the Nova Scotia Liquor Commission became a Crown Corporation and a new seven-person board was appointed. I joined the Corporation as the new President and CEO earlier this spring.

The mandate for the Corporation was expanded to provide a focus on four key priorities:

- **Customer service**
- **Local development**
- **Social responsibility**
- **Government revenue**

Our strategic plan has been expanded to five years and highlights specific measurements for success. This total commitment will ensure we continue to successfully meet our performance and accountability goals.

Last year we introduced a number of initiatives that resulted from an extensive review of NSLC operations. I am pleased to report that all of these have been implemented or are in various stages of implementation. The entire NSLC team is to be congratulated for their efforts in implementing these significant initiatives.

AGENCY STORES

During the past fiscal year, eight agencies were opened in the province to increase customer convenience.

WAREHOUSING/DISTRIBUTION

A Public Call for Proposals was issued to determine if there was a positive business case for contracting out the existing warehousing and distribution functions by alternative means. After a detailed analysis of the proposals, the results indicated that the warehousing and distribution functions would remain with the Nova Scotia Liquor Corporation. Focus will continue on enhancing these operations in the future.

PRIVATE RETAILERS

This initiative, which would see the establishment of private wine and specialty liquor retailers in a few select areas, is in the planning stage with a Request for Proposals to be initiated during the next fiscal period.

CORPORATE GOVERNANCE

The processes and procedures the NSLC follows to manage its' business must enhance shareholder value. Our responsibilities with respect to accountability is relayed, not only in our five year strategic plan, but also in our on-going monitoring and final reporting on our performance. A new section of our Annual Report entitled Performance Review deals specifically with our attainment of our program goals and objectives.

BEERS OF THE WORLD

The initial project began with six months of layout and fixture testing in partnership with Olands Speciality Beer. The final layouts, assortment and fixturing were implemented from research results and other recommendations. Staff training and fixtures for approximately half of our retail outlets will be implemented in 2002/03.

SOCIAL RESPONSIBILITY

During the past fiscal year our social responsibility focus continued to provide valuable messages to the public on the responsible use of beverage alcohol. Programs such as Don't Buy for Minors, Plan Ahead to Get Home Safe, Safe Graduation, Check 25, and Blue Thunder, to name a few, continue to receive the highest honors from communities throughout the province. Responsible Retailing is our Mission.

LOCAL DEVELOPMENT

In conjunction with Taste of Nova Scotia and local industry, beverage alcohol products manufactured from Nova Scotia agricultural products expanded their presence at Halifax's Farmers Market. This Saturday morning market showcases many Nova Scotia crafts and products.

LOCAL CHARITIES

As an important focus and high priority, the NSLC continues to support communities throughout the province. Our many charitable initiatives have been positively recognized and appreciated.

FUTURE DIRECTION

Looking ahead, the newly appointed Board of Directors has established a number of committees in key areas of the business. We will be implementing the Private Wine and Specialty Liquor Retailers during the next fiscal year, to enhance our commitment to increasing product selection and customer convenience. We will continue to control expenses as sales grow. We will continue to invest in technology to help us operate more effectively and efficiently. This investment extends to renovating and upgrading our retail outlets to promote a positive shopping experience for our customers. Our employees will continue to receive training that is dedicated to serving our customers more effectively. Product selection will be continuously reviewed to the benefit of all our customers. The years ahead will be challenging, however with a new structure, a dedicated Board, and a committed and experienced team, we definitely have the ability to achieve our goals.

Andy Barker
President & CEO

ENHANCED STORE BASED INVENTORY MANAGEMENT

We reached our target of 18 turns (18.12 actual result) in our retail stores, by optimizing our inventory management system, while maintaining a core assortment in all stores, and building store product assortments to fit the needs of the individual community that each retail store services.

CATEGORY MANAGEMENT PROGRAM

Products are listed on an ongoing basis to ensure trends are addressed in the product mix. Categories are groomed on an annual basis. Category Management Documents for Beer, Spirits and Coolers are completed and sent out to the trade. The overall number of SKU's has increased by 11.9% over last year (mostly in the specialty beer and varietals/premium wine category.)

SHOP THE WORLD!

This program was introduced in July of 2001 in an effort to provide the Nova Scotia consumer with an expanded selection of product available in other provinces and other parts of the world. *"Shop The World!"* allows a customer to order products not normally sold in NSLC retail stores by using a convenient 1-800 phone number, our web site or asking store staff. The response was been overwhelming generating over 2,000 requests in the first year. In 2000/2001 the NSLC processed 529 orders under our Special Order Program and in 2001/2002 the requests increased to 2,420 under the *Shop the World!* Program. This has created another level of service to our customer and increased sales.

PHYSICAL RESOURCE PLAN

The NSLC continued to renovate retail stores encompassing our goal of appropriate space utilization. Sales per square foot has increased, occupancy costs has declined or been maintained and the ratio of retail areas to warehouse areas has increased. This strategy is on-going to maximize the effectiveness of our retail stores.

STRATEGIC SITE LOCATION

The NSLC continues to explore and evaluate the best possible sites for relocating or new stores. The success of the store in store or adjacent to grocery store concept continues to be a key success to optimize customer convenience and sales.

ALTERNATIVE RETAILING STRATEGIES

Eight agency stores are now operating in the Province of Nova Scotia (Advocate, Bass River, Wentworth, Freeport, Iona, Salmon River, New Ross, and Whycocomagh). The Private Wine Specialty Shops criteria, terms and conditions are being finalized. A public proposal call will be initiated early in the next fiscal year.

WEB SITE

The number of hits to our web site continues to increase. Last year we had 948,448 hits to our web site. This year we had 2,405,455 hits which represents a huge increase of 253.6%. Port of Wines Festival products were added this year in advance of the Festival to provide customers the opportunity to review products. *Shop the World!* program has been added and customers can access the program through our web site email.

SOCIALLY RESPONSIBLE RETAILING PROGRAMS

Our two major focuses are Underage Drinking and Drinking and Driving. We continue to deliver a proactive ID Challenge Program at retail – Check 25. Our highly trained workforce issued over 250,000 challenges on underage purchasing, buying for minors and people under the influence. We continue to develop campaigns to address these issues as well as focus on socially responsible retailing as a priority for all retail staff.

VENDOR PERFORMANCE SYSTEM

Measuring supplier performance has been recognized as a key component to effective supply chain management. Indicators like continuity of supply, quality issues and promotional activity will continue to play a major role in listing and delisting policy and identifying key business partners.

EXCELLENCE IN CUSTOMER SERVICE TRAINING

Our retail staff continue to focus on customer service delivery through training and commitment. We have completed 4887 training modules this year plus target training on Check 25, Customer Service and Beers of the World. Our goal of improved customer ratings on service and product knowledge have been achieved for 2001/2002, providing an excellent base and standards for years to come.

year and supports our commitment to progressive customer service. In the past year, the NSLC has served 2,420 requests for liquor products from around the world. For more details, visit www.nsliquor.ns.ca or call 1-866-292-3030.

FOOD FOR THOUGHT

To accommodate today's busy lifestyles, Food for Thought provides a fast and easy way to shop for the right wine. Our unique displays categorize selected wines to help our customers choose the perfect wine to compliment any meal. Located in the majority of NSLC retail outlets, Food for Thought selections are provided for the customer's convenience all year round.

WWW.NSLIQUOR.NS.CA

During the year, we updated our web site to keep up with current trends in our business, the electronic media and growing customer needs. A new addition to our web site is the *Shop The World!* feature which allows the customer to inquire about purchasing a product available else in the world.

Our site has a wealth of information. Topics range from:

- Product Search and Information
- Monthly Specials
- Store Information and Services
- Corporate Information
- Liquor Control Act
- Social Responsibility Programs
- Links to Supplier Sites

Web site visitors to our site averaged 200,455 per month in 2001/02, it continues to grow. With this growth, more services and items of interest will be added to our site in the months ahead as we fulfil customer requirements.

PORT OF WINES FESTIVAL

Held in November, our Sixth Port of Wines Festival 2001 put Nova Scotia atop the wine lovers list as one of North America's 'must attend' wine festivals.

This six-day event held in Halifax offered three grand tastings of over 275 wines from 100 suppliers representing 11 countries. There were wines offered for even the most discriminating tastes.

The Port of Wines Festival is much more than the three grand tastings. Special events are presented for our licensee customers. At our flagship Port of Wines store throughout the week, nine wine appreciation courses were presented. The ever popular Winemaker's Dinner and Silent Auction was the toast of the town as awards were presented for the best wines at this year's festival. The Silent Auction helped raise over $20,000 for local charities.

More visitors than ever before, sales the highest ever, tickets selling at record speeds - all point to the fact that the Port of Wines Festival has become a Nova Scotia traditional favourite amongst our suppliers, licensees, staff and of course, Nova Scotia consumers.

INFORMATION TECHNOLOGY

Upgrades and enhancements to our information technology infrastructure continues to improve efficiencies throughout the organization. The majority of the fiscal year was dedicated to the design and implementation of our Product Management System. Benefits were realized earlier than expected through a phased in implementation method with the full integration scheduled to be live on April 22, 2002. Resources from Purchasing, Merchandising Services, Finance & Systems, Store Operations, Retail facilities and our Warehouse committed themselves to the successful implementation. As we become more familiar with this system, the NSLC and its stakeholders will realize further benefits.

The following highlights our performance in some of our key programs, goals and objectives over the past fiscal year.

PORT OF WINES PROGRAM

The wine category continues to grow significantly in volume, dollars and gross profit; 5.6%, 8.6% and 8.7% respectively. The Port of Wines stores and the Port of Wines Festival are the catalysts in developing this growth. The product mix for Port of Wines continues to develop and enhance sales, profits and customer satisfaction. The Port of Wines Festival brings more and more customers to the wine category and also encourages existing consumers to buy higher quality products. Based on internal customer report cards the retail Port of Wines consumer is very satisfied with the Port of Wines selection and services.

CONTEMPORARY CLASSICS PROGRAM

This year we experienced more participation by spirit suppliers into this program. Suppliers produced their own recipes with brand specific pictures to greatly enhanced the visuals of this program. We will continue to monitor the most successful components of this program to determine the viability of moving this program forward.

BEERS OF THE WORLD

Customer selection has been significantly enhanced with the expanded selection and the innovative display techniques to showcase 'Beers of the World.' We have shown strong market growth over the last year, and expect to see this segment of our beer market exceed a 5% market share for our fiscal year. The trend toward the premium beer market will allow for continued growth within the segment for a number of years. As consumer product interest continues to increase in this category, so will the expansion of new products.

MERCHANDISING DISPLAY MANAGEMENT PROGRAM

This program continues to promote product and categories that will provide increased volume, sales and profits to the NSLC through a variety of popular merchandising programs. Supplier support for these programs continues to increase.

ENERGY MANAGEMENT PROGRAM

Retrofitting of the Head Office, Distribution Center and all retail outlets has been completed. Energy costs have declined from the previous year (approximately 6.0% or $87,000) as well as the total kilowatt-hours; approximately 12.4% or 2,224,000 kilowatt-hours. This program will continue in our 5-year strategic plan.

RETAIL EXECUTION 2001

Our 'Standards of Excellence' retail execution program continues to provide an exceptional standard for customer service, product availability and our readiness for business at retail. Our customer report card continues to support our efforts and focus on providing excellence in customer service at retail. We are on target to achieve a 90% customer satisfaction rating in the five critical accountability areas of customer service; store location, product availability, service levels, store staff, and hours of operation.

WAREHOUSE REVIEW

The NSLC issued an RFP (Request for Proposals) to determine if there is an opportunity to reduce cost, without impeding service. It was determined that a business case could not be made that would result in cost savings to the NSLC. The recommendation was approved to continue to have the warehousing facility remain part of the operation. Efficiencies will continue to be made in this area.

COLOURFUL MESSAGES - PLAN AHEAD

Increasing awareness of responsible beverage alcohol consumption is a pivotal component of the Liquor Corporation's social responsibility mandate. Fitting with this commitment, each year the NSLC in collaboration with educators and the RCMP invite students in grades 4-8 to participate in Colourful Messages from Someone Special program.

This year, over 600 classes from around the province participated in the program in which students decorate paper bags illustrating the Don't Drink and Drive message. The bags are then distributed to NSLC retail outlets over the Holiday Season to remind customers of responsible alcohol use. Both the students and the public have shown great enthusiasm and support for this unique means of communicating our message to our customers. Encompassing the children as the messengers has not only helped drive the message home to our customers, but also educates our youth on the dangers of drinking and driving.

NSLC AWARDED FOR COLOURFUL MESSAGES

In 2001, the NSLC was awarded first place in the Public Service category of the Retail Comp Awards for the commercial "Colourful Messages". The commercial featured school children drawing on NSLC paper bags as part of the Colourful Messages Campaign against drinking and driving. The competition, organized by the Television Bureau of Canada, helps advertisers evaluate the production of retail commercials. Consumers, rather than creative experts judge the commercials. Global Television produced the commercial as part of the NSLC's Plan Ahead Campaign.

CHECK 25

Underage drinking is an important and challenging issue facing the NSLC. The Check 25 program has been very successful in combating underage drinking over the years. The goal of the Check 25 program is to stop minors from buying alcohol by training our staff to check identification of anyone who looks 25 years of age or younger. Last year, NSLC store staff issued over 252,000 ID challenges, resulting in over 16,000 refusals of service. Along with ID checks carried out on a daily basis, the NSLC also holds Check 25 ID Challenge Weeks during peak periods, such as school graduations, to reinforce this issue with our staff and the public.

DON'T BUY FOR MINORS

Aimed at educating the public on the dangers of underage drinking, the Don't Buy for Minors program supports the NSLC's commitment to social responsibility. The NSLC continually reinforces the message to the public that to buy alcohol for a minor is a criminal offence and our staff will refuse service to anyone suspected of buying alcohol for someone under age 19.

NSLC BLUE THUNDER CAMPAIGN (POLICE BAND)

For over 10 years, the NSLC Blue Thunder Campaign has entertained students around the province with a rock and roll style of hard-hitting messages on the dangers of abusing alcohol and drugs. The band, comprised of active and retired Halifax Regional Police and staff, has reached over 87,000 young people and they're still growing in popularity. This NSLC social responsibility initiative has proved to be a very effective and creative method of educating students on making positive life choices.

NSLC SUPPORTS NOVA SCOTIA CHARITIES

The NSLC, through customers and staff, supports the community by providing financial aid to non- profit organizations. NSLC stores display charity cash cans to raise funds for different organizations each month.

THE CHILDREN'S WISH FOUNDATION

Over the years, more than $80,000 has been raised by our staff and customers for the Children's Wish Foundation. The ability to contribute to fulfilling even one child's dream and helping families cope during difficult times is what makes the efforts by NSLC staff and customers all that more special.

IWK GRACE CHILDREN'S HOSPITAL

NSLC staff, suppliers and customers have been dedicated to supporting the IWK for many years and the fundraising efforts by our staff grow stronger each year. In the past decade, over $800,000 has been raised through our in-store cash cans and various staff fundraisers such as barbecues, 50-50 draws and silent auctions.

Other fundraising initiatives supported by NSLC staff, suppliers and customers are:

MADD Canada
Canadian Red Cross
NS Food Banks
Canadian Cancer Society
Muscular Dystrophy Association of Canada
Big Brothers/Big Sisters
Parkinson Foundation of Canada
UNICEF
Terry Fox Foundation
SPCA
L'Arche, Cape Breton
Lunenburg Anglican Church Fund Raising Campaign
Cobequid Multi Service Centre Foundation
Transition Homes for Women and Children
[illegible] Foundation
Crohn's and Colitis Foundation
Multiple Sclerosis Society
United Way

STANDARDS OF EXCELLENCE

The NSLC is committed to quality service in a progressive retail environment, which exceeds customer's expectation in service and product availability. To achieve these objectives the "Standards of Excellence" program was developed for our retail staff combined with a detailed staff development program of customer service and product knowledge courses. Our retail employees completed 4877 training courses in 2001 targeted directly at customer service and product knowledge enhancements. In the last three years, NSLC employees have completed over 12,000 retail-training courses to improve their skills in critical consumer areas highlighting our commitment to our customers.

We will continue to focus on efficient business practices combined with enhanced training modules to ensure we continue to exceed customer expectations on all service levels offered within NSLC outlets.

WORLD CLASS SERVICE

Product selection within our retail stores has been designed to provide each store with a broad selection while maintaining a core assortment which reflects the needs and trends of the individual community serviced by that store. Product sales performance, product mix and customer comments relating to product selection are monitored on an on-going basis, to ensure we are delivering the selection our customers expect to receive. We continue to add new and innovative products to our selection and have enhanced the consumers' availability to access products both in our 100 retail outlets and beyond with our "Shop the World" program. Our stores also continue to work closely with owners and operators of licensed establishments in their communities to ensure we are providing them with the highest level of customer service and product selection.

GIFT LINE DELIVERY

Introduced this past year, the NSLC Gift Line Delivery service makes gift giving easy and convenient for our shoppers. The program offers customers an opportunity to purchase liquor gifts and have them delivered anywhere in Nova Scotia. This program was launched in time for Christmas 2001 and the response from the consumer was excellent. The gift selection is delivered within 3 business days to that special someone at their home or office. Our Check 25 ID program ensures the recipient of the gift is of legal drinking age. For gift ideas, check out the NSLC Consumer magazine available in retail stores, visit www.nsliquor.ns.ca, or call toll free at 1-866-GIFT-NSLC.

SHOP THE WORLD!

Shop the World! is a service offered by the NSLC that allows customers to obtain a product from anywhere in the world that is not available in Nova Scotia. The *Shop the World!* Program has experienced incredible success since its introduction this past

The Nova Scotia Liquor Corporation regulates the sale of beverage alcohol products under the authority of the Liquor Control Act.

The Nova Scotia Liquor Corporation shall strive to:

- operate in a socially responsible manner.
- provide responsible and progressive customer service with a variety of quality controlled products in modern facilities.
- generate revenue as a retailer through efficient financial and operating practices.
- provide its employees with progressive management, equality of opportunity and career development.

The management and staff of the Nova Scotia Liquor Corporation are dedicated to the principles of the Mission Statement.

During the last year sales of all products through the NSLC totalled $391.6 million. The NSLC realized a profit of $143.9 million on those sales through efficient operations and fiscal management. Over and above the profit of $143.9 million, the NSLC collected over $58.0 million on behalf of the Provincial and Federal Governments (Harmonized Sales Tax).

TEN-YEAR INDICATION OF SALES AND EXPENSES COMPARED OVER THE DECADE

1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
682.9	673.9	660.4	656.3	655.0	664.4	695.3	723.6	725.6	731.8
$325.4	$324.8	$320.0	$320.0	$323.6	$331.8	$351.6	$371.4	$372.3	$391.4
$165.9	$165.1	$162.3	$161.6	$162.9	$167.6	$176.4	$187.6	$187.1	$197.6
51.0%	50.8%	50.7%	50.5%	50.3%	50.5%	50.2%	50.5%	50.3%	50.5%
$159.6	$159.7	$157.6	$158.4	$160.7	$164.2	$175.2	$183.8	$185.2	$193.9
49.0%	49.2%	49.3%	49.5%	49.7%	49.5%	49.8%	49.5%	49.7%	49.5%
$31.0	$31.8	$30.4	$33.6	$32.7	$30.2	$31.3	$33.8	$33.3	$34.7
9.5%	9.8%	9.5%	10.5%	10.1%	9.1%	8.9%	9.1%	8.9%	8.9%
$128.5	$127.9	$127.3	$124.8	$128.0	$134.0	$143.8	$150.0	$151.9	$159.1
39.5%	39.4%	39.8%	39.0%	39.6%	40.4%	40.9%	40.4%	40.8%	40.6%
			$5.6	$6.0	$3.6	$3.8	$3.8	$4.0	$4.2
			1.8%	1.9%	1.1%	1.1%	1.0%	1.1%	1.1%
$114.6	$113.2	$111.9	$113.4	$116.1	$118.4	$129.2	$135.2	$136.5	$143.9
35.6%	34.8%	35.0%	35.4%	35.9%	35.7%	36.8%	36.4%	36.7%	36.8%
$53.3	$53.3	$53.5	$52.9	$54.4	$59.3	$62.5	$64.0	$65.0	$66.6
16.4%	16.4%	16.7%	16.5%	16.8%	17.8%	17.7%	17.2%	17.3%	17.0%
103	104	102	103	101	99	100	100	100	100
293.8	299.3	300.6	302.1	294.9	300.0	300.8	306.1	310.4	315.9
49.7	49.0	48.2	47.9	47.1	47.1	48.2	50.0	50.7	50.6
40.0	38.8	38.9	39.7	42.2	44.8	48.1	52.5	54.6	54.6
584.3	579.0	566.9	562.1	558.6	565.4	588.5	608.1	603.8	605.8
8.8	7.0	6.4	6.7	7.1	7.2	10.5	13.0	16.5	20.8

Notes: 2002 statistics does not include Producer Outlet. Producer Outlet sales are now included in Other Revenue.

FACILITIES MANAGEMENT

Customer service remained the catalyst that reinforced the NSLC's commitment to provide modern retail stores ensuring high visibility, ease of access and shopper friendly environments. While providing a safe and hazard-free environment for both customers and staff, the NSLC retail stores must be able to support and compliment modern merchandising and marketing concepts that are utilized to maximize sales.

During the fiscal year the Elmsdale and Glace Bay outlets were relocated. The North Sydney retail store was also relocated and downsized. The Queen Street and Mill Cove outlets, within the Halifax Regional Municipality, were both expanded and retrofitted to accommodate the sales volumes and increased product selection for these stores. Major modernization upgrades took place at Tantallon, Kentville, Antigonish and Mahone Bay.

The efficient utilization of space is a primary function of facilities management. The physical resource program addresses short and long term strategic planning of NSLC facilities. Since its inception and development of benchmarks in 1993 NSLC space inventory has been reduced by 93,210 square feet.

ENERGY MANAGEMENT

The NSLC continues to be pro-active in its energy management program, which at the same time contributes to positive bottom line results.

The development and implementation of new and evolving technologies together with staff awareness and the ongoing diligent monitoring of energy consumption have resulted in a substantial annual decrease in kilowatt-hours.

When the program was implemented in 1993 the total annual consumption of energy by the NSLC over 21 million kilowatt hours. The consumption during the past fiscal year was 17.9 million kilowatt hours. This represents an annualized decrease of 3.5 million kilowatt hours.

During the last year sales of all products through the NSLC totalled $391.6 million. The NSLC realized a profit of $143.9 million on those sales through efficient operations and fiscal management. Over and above the profit of $143.9 million, the NSLC collected over $58.0 million on behalf of the Provincial and Federal Governments (Harmonized Sales Tax).

TEN-YEAR INDICATION OF SALES AND EXPENSES COMPARED OVER THE DECADE

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
VOLUME	682.9	673.9	660.4	656.3	655.0	664.4	695.3	723.6	725.0	731.8
SALES (M)	$325.4	$324.8	$320.0	$320.0	$323.6	$331.8	$351.6	$371.4	$372.3	$391.4
COST OF GOODS(M)	$165.9	$165.1	$162.3	$161.6	$162.9	$167.6	$176.4	$187.6	$187.1	$197.6
As a % of Sales	51.0%	50.8%	50.7%	50.5%	50.3%	50.5%	50.2%	50.5%	50.3%	50.5%
GROSS PROFIT (M)	$159.6	$159.7	$157.6	$158.4	$160.7	$164.2	$175.2	$183.8	$185.2	$193.9
	49.0%	49.2%	49.3%	49.5%	49.7%	49.5%	49.8%	49.5%	49.7%	49.5%
STORE OP. EXP.(M)	$31.0	$31.5	$30.4	$33.6	$32.7	$30.2	$31.3	$33.6	$33.1	$34.7
As a % of Sales	9.5%	9.8%	9.5%	10.5%	10.1%	9.1%	8.9%	9.1%	8.9%	8.9%
GROSS OPERATING PROFIT (M)	$128.5	$127.9	$127.3	$124.8	$128.0	$134.0	$143.8	$150.0	$151.9	$159.1
As a % of Sales	39.5%	39.4%	39.8%	39.0%	39.6%	40.4%	40.9%	40.4%	40.8%	40.6%
WHSE/DIST. EXP. (M)				$5.6	$6.0	$3.6	$3.8	$3.8	$4.0	$4.2
As a % of Sales				1.8%	1.9%	1.1%	1.1%	1.0%	1.1%	1.1%
INC/OPERATIONS (M)	$114.6	$113.2	$111.9	$113.4	$116.1	$116.4	$129.2	$135.2	$133.3	$142.4
As a % of Sales	35.6%	34.8%	35.0%	35.4%	35.9%	35.1%	36.8%	36.4%	35.7%	36.5%
LICENSEE SALES (M)	$53.3	$53.3	$53.5	$52.9	$54.4	$59.3	$62.5	$64.0	$65.0	$66.6
As a % of Sales	16.4%	16.4%	16.7%	16.5%	16.8%	17.8%	17.7%	17.2%	17.5%	17.0%
STORES	103	103	102	103	101	99	100	100	100	100
Hours Open (000's)	243.8	244.3	300.6	302.1	294.9	300.0	300.8	306.1	310.4	315.9
VOLUME (000 HL)										
Spirits	49.7	49.0	48.2	47.9	47.1	47.5	48.2	50.0	50.7	50.6
Wine	40.0	39.8	39.9	39.7	42.2	44.8	48.1	52.5	54.6	56.6
Beer	584.3	574.2	566.9	562.1	558.9	565.4	568.5	606.1	603.8	605.5
Coolers	8.8	7.0	6.4	6.7	7.1	7.2	10.5	13.0	16.5	20.5

Notes: 2002 statistics does not include Producer Outlet. Producer Outlet sales are now included in Other Revenue.

FACILITIES MANAGEMENT

Customer service remained the catalyst that reinforced the NSLC's commitment to provide modern retail stores ensuring high visibility, ease of access and shopper friendly environments. While providing a safe and hazard free environment for both customers and staff, the NSLC retail stores must be able to support and compliment modern merchandising and marketing concepts that are utilized to maximize sales.

During the fiscal year the Elmsdale and Glace Bay outlets were relocated. The North Sydney retail store was also relocated and downsized. The Queen Street and Mill Cove outlets, within the Halifax Regional Municipality, were both expanded and retrofitted to accommodate the sales volumes and increased product selection for these stores. Major modernization upgrades took place at Tantallon, Kentville, Antigonish and Mahone Bay.

The efficient utilization of space is a primary function of facilities management. The physical resource program addresses short and long term strategic planning of NSLC facilities. Since its inception and development of benchmarks in 1993 NSLC space inventory has been reduced by 91,210 square feet.

ENERGY MANAGEMENT

The NSLC continues to be pro-active in its energy management program, which at the same time contributes to positive bottom line results.

The development and implementation of new and evolving technologies together with staff awareness and the ongoing diligent monitoring of energy consumption have resulted in a substantial annual decrease in kilowatt-hours.

When the program was implemented in 1993 the total annual consumption of energy by the NSLC over 21 million kilowatt hours. The consumption during the past fiscal year was 17.9 million kilowatt hours. This represents an annualized decrease of 3.5 million kilowatt hours.

EGIONAL SUCCESSES

ll five of our retail regions of the NSLC xperienced growth in fiscal 2001/2002. The rongest growth at 7.2% for a third year in row was the Dartmouth area. The Valley nd South Shore as well as our Halifax region howed growth over last year; (5.2%) and 5.5%) respectively. The Eastern and Northern reas of the Province saw a positive growth ate of 4.81%. The Cape Breton region, lthough not as high as the other regions, did xperience growth of 3.7%. Retail outlets that vere relocated, especially adjacent to or in major grocery chain, or retail outlets that nderwent major renovations showed strong growth rates in the Province.

Our retail stores located in other major chain etail stores have some of the highest sales per square feet, in the province and are also some of the most profitable.

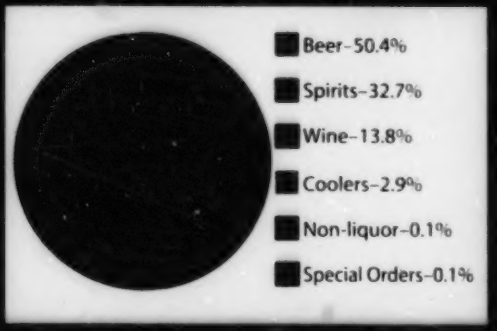
GENERAL AND LICENSEE SALES STRONG

General sales are the sales made through NSLC retail outlets directly to the public. They account for approximately 82.9% of our otal sales and growth in this segment was .9% over the previous year. Licensee sales are sales made to businesses such as restaurants, bars, taverns, and lounges which accounts for approximately 17.0% of the total sales market. This segment enjoyed a 2.6% growth increase from the previous year.

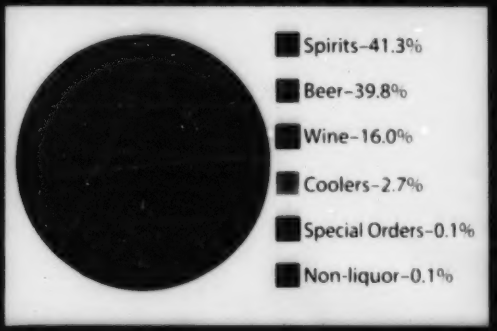
Rounding out the beverage alcohol market s special orders, accounting for .1% of the otal.

Included in our licensee market are agency stores. Sales to these private operators were 31,634,274 for the fiscal year.

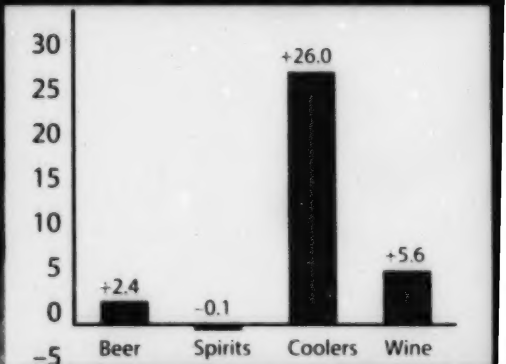
CONTRIBUTION BY CATEGORY



GROSS PROFIT
CONTRIBUTION BY CATEGORY



VOLUME PERCENT CHANGE



The NSLC operates in a shared marketplace along with other retailers of beverage alcohol, including Farm Winery & Cottage Winery retail stores, on-site Brewery retail stores, and a single distillery store. During the fiscal year, eight Agency Stores were opened. (The Agency Store operators and senior NSLC retail management staff worked very closely to ensure that this program implementation and operation was a success.)

As of March 31, 2002 there were:

- 100 NSLC retail outlets
- 7 Farm Winery/ Cottage Winery retail stores
- 8 Agency Stores
- 5 On-site Brewery retail stores
- 1 Distillery retail outlet

M121

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(MARCH 31, 2002)

Largest Sales Halifax Area	**Downsview Plaza**	**Largest Spirits Sales**	**Antigonish**
Largest Sales Dartmouth Area	**Westphal**	**Largest Wine Sales**	**Port of Wines**
Largest Sales Eastern & Northern	**Truro**	**Largest Beer Sales**	**Downsview Plaza**
Largest Sales Cape Breton Area	**Sydney River**	**Largest Coolers Sales**	**Sydney River**
Largest Sales Valley & South Shore	**Bridgewater**	**Largest Sales - All Stores - All Categories**	**Sydney River**

REGION 1 - HALIFAX

	$2,694,371.67	$2,013,431.84	$3,739,894.64	$264,506.61	$11,547.59	$8,723,752.35
	$1,852,135.28	$1,675,500.09	$2,693,640.35	$172,910.43	$24,676.55	6,418,862.70
	$1,997,546.18	$996,285.26	$2,537,158.69	$156,958.02	$2,837.40	5,690,785.55
	$1,171,739.89	$549,501.50	$1,439,473.86	$73,135.11	$1,047.98	3,234,898.34
	$1,836,727.39	$1,480,883.71	$2,705,362.96	$220,001.83	$9,369.76	6,252,345.65
	$1,287,754.82	$1,189,954.89	$1,169,429.99	$104,888.18	$3,804.22	3,755,832.10
	$576,590.80	$267,552.54	$735,023.27	$33,511.96	$656.02	1,613,334.59
	$293,246.38	$68,864.67	$444,179.27	$14,770.11	$304.70	821,365.13
	$1,546,676.04	$1,050,010.05	$1,244,398.01	$165,944.96	$15,167.22	4,022,196.28
	$879,229.19	$355,242.21	$1,142,434.96	$55,638.23	$1,811.73	2,434,356.32
	$362,572.05	$3,333,899.94	$117,574.23	$0.00	$89,639.21	3,903,685.43
	$1,355,758.45	$1,465,254.64	$1,290,919.36	$109,516.86	$3,677.49	4,225,126.80
	$2,429,371.27	$1,415,803.21	$3,170,273.58	$234,951.79	$6,100.22	7,256,500.07
	$3,633,530.14	$1,042,662.60	$6,333,915.29	$394,491.97	$2,301.41	11,406,901.41
	$716,321.59	$579,623.36	$450,573.31	$48,487.52	$18,797.02	1,813,802.80
	$2,254,296.55	$765,232.80	$3,776,139.98	$218,781.42	$3,305.50	7,017,756.25
	$921,094.20	$829,714.80	$810,742.27	$74,144.58	$6,581.03	2,642,276.88
	$1,990,364.44	$1,207,022.01	$2,832,828.02	$148,013.95	$4,265.70	6,182,494.12
	$1,904,510.74	$442,458.47	$2,949,496.41	$152,736.69	$1,510.22	5,450,712.53
	$5,590,257.13	$4,189,327.44	$17,755,669.35	$818,656.81	($300.00)	28,353,610.73
TOTAL REGION 1	**$35,294,094.20**	**$24,918,226.03**	**$57,339,127.80**	**$3,462,047.03**	**$207,100.97**	**$121,220,596.03**

REGION 2 - DARTMOUTH

	$539,384.39	$425,916.21	$466,855.29	$13,611.83	$5,156.87	$1,450,924.59
	$1,803,682.77	$1,373,125.49	$2,261,931.46	$141,354.03	$8,993.09	5,589,086.84
	$2,349,228.84	$1,097,770.87	$4,316,043.82	$225,528.98	$8,659.57	7,997,232.08
	$742,105.68	$227,987.87	$1,257,812.40	$72,443.73	$1,282.93	2,301,632.61
	$1,325,665.51	$716,110.93	$842,549.83	$108,723.12	$5,644.67	2,998,694.06
	$3,185,599.87	$1,219,919.06	$5,069,532.37	$333,363.27	$4,682.66	9,813,097.23
	$1,279,521.55	$932,954.98	$655,568.25	$103,367.71	$12,351.04	2,983,763.53
	$337,729.10	$28,834.90	$785,589.56	$22,073.38	$194.09	1,174,421.03
	$1,825,079.58	$486,341.12	$3,246,176.17	$193,416.60	$1,398.50	5,752,411.97
	$950,483.03	$549,979.66	$952,982.85	$84,563.85	$1,609.30	2,539,618.69
	$3,206,692.46	$1,342,941.13	$4,743,297.34	$334,305.56	$5,198.11	9,632,434.60
	$1,284,556.55	$375,608.64	$1,996,978.97	$103,098.60	$1,087.33	3,761,330.09
	$469,108.28	$92,370.69	$589,392.75	$20,850.78	$670.22	1,172,392.72
	$654,865.13	$109,367.56	$1,381,695.96	$62,801.66	$352.46	2,209,082.77
	$395,621.42	$48,460.90	$522,456.59	$23,886.26	$180.38	990,605.55
	$936,943.53	$265,685.05	$1,893,653.56	$99,641.61	$1,027.39	3,196,951.14
	$706,761.35	$157,777.77	$826,577.87	$37,066.92	$465.49	1,728,649.40
TOTAL REGION 2	**$21,993,029.04**	**$9,451,152.83**	**$31,889,093.04**	**$1,980,097.89**	**$58,934.10**	**$65,292,328.90**

This section of our Annual Report explains the financial results of the NSLC for the fiscal year 2001/2002 and provides background information for evaluating our performance. This has been provided to increase understanding of our performance and ensure disclosure of our results to all of our stakeholders.

OPERATING PERFORMANCE (000'S)		
	2000/2001	2001/2002
Transfer to Government	$137,183.0	$143,856.7
Net Sales	$372,295.0	$391,427.3
% Increase	0.2	5.14
Operating Expenses	$47,959.0	$49,950.0
Net Income	$136,529.0	$143,856.7
% Increase	1.0	4.9

Notes: 2001/02 does not include producer outlet sales in net sales figure

POSITIVE TRENDS

Overall volume growth during the fiscal period exceeded our target by over 2.0% (3.0% actual versus 1% forecasted). The two categories that helped us achieve this were beer and coolers. Beer sales were up almost 2.8% and coolers up almost 26.0%. New products in both these categories contributed to this excellent growth as well as implementing successful merchandising efforts with our suppliers at key selling periods. Wine increased from last year although it was slightly lower than our original forecast. Spirits sales remain unchanged from last year.

REVENUE TO GOVERNMENT INCREASES FOR SEVENTH STRAIGHT YEAR

We transferred $143.9 million profit to the province in 2001/2002. This is the seventh straight year we've increased our contribution. Due to the positive results achieved during the first half of the year as a result of consumer confidence, new program implementation, continued dedication of staff and the summer weather, we revised our target upward for the last half of the fiscal year. After adjusting for the new accounting requirements for employee future benefits, we were below our revised target by approximately .4% or $700,000. We exceeded our original forecast by approximately 2.6% or $3.6 million.

The following table shows a ten-year history of NSLC profits to the Province of Nova Scotia. More efficient operations, increased merchandising program initiatives, new retail store concepts and improvements, and improved service have been the contributing factors that helped us achieve this success.

TEN-YEAR HISTORY OF PROFITS TO THE PROVINCE OF NOVA SCOTIA										
Fiscal Year	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02
($00,000's)	$114.6	$113.2	$111.9	$113.4	$116.1	$118.4	$129.2	$135.2	$136.5	$143.9

SALES CONTINUE TO INCREASE

The NSLC sales rose $19.0 million from last year, or 5.1%, to $391.4 million. During the year, eight agency stores were opened at various times throughout the year. NSLC retail outlets that service these agency stores experienced growth beyond the provincial average.

$927,433.45	$315,961.00	$1,454,435.66	$120,308.95	$2,606.70	2,820,745.76
$3,873,745.73	$1,135,568.75	$5,080,788.30	$285,183.19	$4,676.75	10,379,962.72
$1,153,589.97	$231,817.09	$2,013,502.47	$91,144.98	$456.59	3,490,511.10
$369,653.65	$42,775.02	$603,410.19	$27,776.71	$244.82	1,043,860.39
$458,861.00	$99,108.82	$658,288.66	$22,997.14	$354.38	1,239,610.00
$95,141.00	$11,037.06	$277,759.61	$11,186.51	$69.24	395,193.42
$323,135.49	$71,567.08	$562,234.98	$34,067.18	$151.58	991,156.31
$300,428.59	$34,362.49	$507,586.22	$14,420.93	$161.06	856,959.29
$394,127.77	$105,224.15	$851,191.88	$37,674.06	$323.62	1,388,541.48
$3,038,427.80	$914,706.28	$4,987,313.29	$274,469.15	$2,388.85	9,217,305.37
$1,214,316.38	$345,997.84	$1,781,051.75	$86,423.30	$1,505.75	3,429,295.02
$448,765.09	$121,830.46	$734,386.10	$46,901.86	$501.58	1,352,385.09
$243,172.45	$57,699.22	$440,260.53	$19,264.54	$151.45	760,548.19
$462,213.87	$84,851.13	$953,427.08	$53,051.47	$277.01	1,553,820.56
$245,568.65	$73,345.50	$422,924.91	$16,805.20	$475.35	759,119.61
$952,513.76	$179,542.00	$1,545,175.06	$54,552.69	$589.46	2,732,372.97
$550,272.63	$203,177.90	$1,035,806.71	$39,464.41	$633.24	1,829,354.89
$509,454.97	$97,987.54	$985,021.70	$29,894.22	$257.45	1,622,615.88
$3,524,199.59	$1,094,876.69	$5,509,756.68	$332,763.06	$3,860.36	10,465,456.38
$1,296,432.51	$289,281.61	$1,373,712.08	$117,102.69	$858.91	3,077,387.80
$674,327.98	$100,112.07	$1,550,373.51	$60,014.63	$291.43	2,385,119.62

This section of our Annual Report explains the financial results of the NSLC for the fiscal year 2001-2002 and provides background information for evaluating our performance. This has been provided to increase understanding of our performance and ensure disclosure of our results to all of our stakeholders.

OPERATING PERFORMANCE (000'S)	2000/2001	2001/2002
	$137,183.0	$143,858.7
	$372,295.0	$391,427.3
	0.2%	5.14%
	$ 47,986.0	$ 49,950.0
	$136,529.0	$143,858.7
	1.0%	4.9%

Notes: 2001/02 does not include producer outlet sales in net sales figure.

POSITIVE TRENDS

Overall volume growth during the fiscal period exceeded our target by over 2.0% (3.0% actual versus .7% forecasted). The two categories that helped us achieve this were beer and coolers. Beer sales were up almost 2.5% and coolers up almost 26.0%. New products in both these categories contributed to this excellent growth as well as implementing successful merchandising efforts with our suppliers at key selling periods. Wine increased from last year although it was slightly lower than our original forecast. Spirits sales remain unchanged from last year.

REVENUE TO GOVERNMENT INCREASES FOR SEVENTH STRAIGHT YEAR

We transferred $143.9 million profit to the province in 2001-2002. This is the seventh straight year we've increased our contribution. Due to the positive results achieved during the first half of the year as a result of consumer confidence, new program implementations, continued dedication of staff and the summer weather, we revised our target upward for the last half of the fiscal year. After adjusting for the new accounting requirements for employee future benefits, we were below our revised target by approximately .5% or $786,000. We exceeded our original forecast by approximately 2.6% or $3.6 million.

The following table shows a ten-year history of NSLC profits to the Province of Nova Scotia. More efficient operations, increased merchandising program initiatives, new retail store concepts and improvements, and improved service have been the contributing factors that helped us achieve this success.

TEN YEAR HISTORY OF PROFITS TO THE PROVINCE OF NOVA SCOTIA										
	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02
	$114.6	$113.2	$111.9	$113.4	$116.1	$118.4	$129.2	$135.2	$136.5	$143.9

SALES CONTINUE TO INCREASE

The NSLC sales rose $19.0 million from last year, or 5.1%, to $391.4 million. During the year, eight agency stores were opened at various times throughout the year. NSLC retail outlets that service these agency stores experienced growth beyond the provincial average.

TRAINING AND DEVELOPMENT

We continue to ensure that our employees are provided with the tools they need to complete their duties and to fulfill their responsibilities. Training is provided to employees through a series of correspondence modules giving the employees the knowledge base to provide the service our customers expect. To date, employees have completed in excess of 15,500 correspondence packages. In addition, internal, seminar based training courses have been attended by in excess of 1900 employees.

In order to develop some of the specialized skills required in a modern retail environment, the organization provides training in specialized skills either through internal sources or external training providers.

Employees are encouraged in their efforts to obtain external training to enhance their value to the organization and prepare them for future promotion or different career paths. In addition, guidance and direction is available to those employees who choose to seek assistance in choosing appropriate career goals.

RECRUITING AND HIRING PRACTICES

We are committed to ensure that the most qualified candidates are selected to fill positions within the Corporation. Vacant positions are filled by competition and are filled on the principles of merit, as measured by skill and ability, and fairness, while fulfilling our obligations under the Affirmative Action Program.

OCCUPATIONAL HEALTH AND SAFETY

The Nova Scotia Liquor Corporation recognizes the need to provide a safe and healthy workplace for our employees and a safe and healthy shopping environment for our customers. We continue to fully support Health and Safety initiatives in the workplace through our commitment to the Joint Occupational Health and Safety Committee. Workplace inspections are conducted on a regular basis, staff are provided with a number of safety based training modules, and members of the Committee are provided with the opportunity to receive specialized training to enable them to carry out their duties.

$539,597.19	$92,377.03	$759,029.67	$26,401.77	$725.38	1,418,131.04
$1,109,585.19	$417,080.46	$1,548,118.89	$82,746.86	$1,234.87	3,158,766.27
$632,306.90	$194,931.61	$1,055,120.75	$63,334.14	$1,075.73	1,946,769.13
$399,498.79	$50,337.69	$849,263.29	$34,431.77	$282.76	1,333,814.30
$2,480,487.00	$368,742.32	$5,039,760.24	$268,122.36	$1,110.17	8,158,222.09
$548,440.63	$226,336.04	$847,042.29	$49,874.29	$860.68	1,672,553.93
$731,945.80	$167,124.45	$1,226,723.73	$45,781.02	$769.36	2,172,344.36
$371,144.92	$66,307.68	$566,592.01	$26,286.63	$455.01	1,030,786.25
$1,143,140.60	$155,712.20	$2,762,186.84	$112,293.27	$562.98	4,173,895.89
$2,040,949.37	$397,581.94	$2,945,627.65	$214,230.22	$1,279.38	5,599,668.56
$2,188,670.07	$652,452.30	$3,055,964.25	$141,282.60	$6,793.01	6,045,162.23
$607,311.41	$119,634.30	$678,027.03	$26,272.69	$604.32	1,431,849.75
$599,013.01	$115,080.35	$1,064,106.27	$44,438.26	$587.81	1,823,225.70
$1,711,303.84	$458,341.22	$2,128,864.75	$126,974.40	$1,362.96	4,426,847.17
$728,942.74	$255,070.67	$314,472.18	$47,395.86	$1,430.62	1,347,312.07
$2,104,560.49	$411,662.98	$3,211,161.83	$179,851.42	$11,315.83	5,918,552.55
$500,527.94	$68,719.26	$904,221.55	$26,699.34	$209.41	1,500,377.50
$992,113.11	$137,152.87	$2,283,198.28	$115,400.14	$453.79	3,528,318.19
$3,715,694.87	$1,156,131.30	$6,329,820.26	$441,414.73	$6,535.63	11,649,596.79
23,145,233.87	**$5,510,776.67**	**$37,569,301.76**	**$2,073,231.77**	**$37,649.70**	**$68,336,193.77**

Largest Sales Halifax Area	**Downsview Plaza**	**Largest Spirits Sales**	**Antigonish**
Largest Sales Dartmouth Area	**Westphal**	**Largest Wine Sales**	**Port of Wines**
Largest Sales Eastern & Northern	**Truro**	**Largest Beer Sales**	**Downsview Plaza**
Largest Sales Cape Breton Area	**Sydney River**	**Largest Coolers Sales**	**Sydney River**
Largest Sales Valley & South Shore	**Bridgewater**	**Largest Sales - All Stores - All Categories**	**Sydney River**

REGION 1 - HALIFAX

STORE NUMBER & NAME	SPIRITS	WINE	BEER	COOLER	OTHER	TOTAL
104 - Agricola Street	$2,694,371.67	$2,013,431.84	$3,739,894.64	$264,506.61	$11,547.59	$8,723,752.35
108 - Bayers Lake	$1,852,735.26	$1,675,500.09	$2,693,640.35	$172,910.43	$24,676.55	6,418,862.70
110 - Bayers Road	$1,997,540.16	$996,285.26	$2,537,158.69	$156,958.02	$2,837.40	5,690,785.55
115 - Chester	$1,171,739.69	$649,501.50	$1,439,473.86	$73,135.11	$1,047.98	3,234,898.34
120 - Clyde Street	$1,696,727.59	$1,480,583.71	$2,705,362.96	$220,001.83	$9,369.76	6,252,345.65
123 - Queen Street	$1,267,784.62	$1,189,954.89	$1,769,429.99	$104,888.18	$3,804.22	3,755,832.10
125 - Hubbards	$576,991.61	$247,552.54	$735,023.27	$53,511.96	$656.02	1,613,334.59
130 - Hantsport	$293,249.34	$68,864.67	$444,179.27	$14,770.11	$304.70	821,365.13
145 - Halifax Shopping Centre	$1,544,476.24	$1,050,070.05	$1,244,398.01	$165,944.96	$15,167.22	4,022,196.28
152 - Kempt Road	$870,229.19	$855,242.21	$1,142,484.96	$55,636.23	$1,811.73	2,484,356.32
160 - Port of Wines	$362,872.05	$3,333,699.94	$117,574.23	$0.00	$89,639.21	3,903,685.43
165 - Quinpool IGA	$1,355,758.45	$1,465,254.64	$1,290,919.36	$109,516.86	$3,677.49	4,225,126.80
170 - Rockingham Ridge	$2,429,371.27	$1,415,603.21	$3,170,273.58	$234,951.79	$6,100.22	7,256,500.07
176 - Downsview Plaza	$3,638,630.14	$1,042,662.60	$6,333,915.29	$394,401.97	$2,301.41	11,406,901.41
180 - Scotia Square	$716,321.59	$579,623.36	$450,573.31	$48,487.52	$18,797.02	1,813,802.80
185 - Spryfield	$2,254,249.55	$765,232.80	$3,776,139.99	$216,781.42	$3,305.50	7,017,756.25
193 - Bedford Sunnyside	$921,094.20	$629,714.40	$610,742.27	$74,144.36	$6,561.03	2,642,276.86
195 - Tantallon	$1,940,364.44	$1,207,022.01	$2,832,828.02	$148,013.93	$4,265.70	6,132,494.12
196 - Windsor	$1,904,510.74	$442,458.47	$2,949,496.41	$152,736.69	$1,510.22	5,450,712.53
099 - Halifax Licensee	$5,590,257.13	$4,169,327.44	$17,755,669.35	$918,656.61	$300.00	28,353,810.73
TOTAL REGION 1	**$35,294,094.20**	**$24,918,226.03**	**$57,339,127.80**	**$3,462,047.03**	**$207,100.97**	**$121,220,596.03**

REGION 2 - DARTMOUTH

STORE NUMBER & NAME	SPIRITS	WINE	BEER	COOLER	OTHER	TOTAL
201 - Airport	$539,384.39	$425,916.21	$466,855.29	$13,611.83	$5,156.87	$1,450,924.59
202 - Bedford Place	$1,803,682.77	$1,373,125.49	$2,261,931.46	$141,354.03	$8,993.09	5,589,086.84
209 - Bridge Plaza	$2,849,226.54	$1,097,770.87	$4,316,043.82	$225,528.98	$8,659.57	7,997,232.08
210 - Burnside	$742,105.68	$227,967.87	$1,257,612.40	$72,443.73	$1,282.93	2,301,632.61
213 - Penhorn Mall	$1,325,665.51	$716,110.93	$842,549.83	$108,723.12	$5,644.67	2,998,694.06
219 - Westphal	$3,165,599.67	$1,219,919.06	$5,069,532.37	$333,363.27	$4,682.66	9,813,097.23
220 - Mic Mac Mall	$1,279,521.55	$932,954.98	$655,568.25	$103,367.71	$12,351.04	2,983,763.53
222 - Kennetcook	$337,729.10	$26,834.90	$785,589.56	$22,073.38	$194.09	1,174,421.03
223 - Elmsdale	$1,825,079.58	$486,341.12	$3,246,176.17	$193,416.60	$1,398.50	5,752,411.97
225 - Fall River	$950,483.03	$549,979.66	$952,982.85	$84,563.85	$1,609.30	2,539,618.69
227 - Forest Hills	$3,206,692.46	$1,342,941.13	$4,743,297.34	$334,305.56	$5,198.11	9,632,434.60
270 - Porters Lake	$1,284,556.55	$375,608.64	$1,996,978.97	$103,098.60	$1,087.33	3,761,330.09
280 - Sheet Harbour	$469,108.28	$92,370.69	$589,392.75	$20,850.78	$670.22	1,172,392.72
285 - Stewiacke	$654,865.13	$109,367.56	$1,381,695.96	$62,801.66	$352.46	2,209,082.77
286 - Middle Musquodoboit	$395,621.42	$48,460.90	$522,456.59	$23,886.26	$180.38	990,605.55
289 - Eastern Passage	$936,943.53	$265,685.05	$1,893,653.56	$99,641.61	$1,027.39	3,196,951.14
297 - Musquodoboit Harbour	$706,761.35	$157,777.77	$826,577.87	$37,066.92	$465.49	1,728,649.40
TOTAL REGION 2	**$21,993,029.04**	**$9,451,152.83**	**$31,809,095.04**	**$1,980,097.89**	**$58,954.10**	**$65,292,328.90**

301 - Amherst	$858,746.34	$262,607.79	$2,165,242.49	$138,582.89	$853.23	$3,426,032.74
302 - Amherst Mall	$927,433.45	$315,961.00	$1,454,435.66	$120,308.95	$2,606.70	2,820,745.76
303 - Antigonish	$3,873,745.73	$1,135,568.75	$5,080,788.30	$285,183.19	$4,676.75	10,379,962.72
310 - Bible Hill	$1,153,589.97	$231,817.09	$2,013,502.47	$91,144.98	$456.59	3,490,511.10
312 - Canso	$369,653.65	$42,775.02	$603,410.19	$27,776.71	$244.82	1,043,860.39
317 - Guysborough	$458,861.00	$99,108.82	$658,288.66	$22,997.14	$384.38	1,239,610.00
322 - Joggins	$95,141.00	$11,037.06	$277,759.61	$11,186.51	$69.24	395,193.42
338 - Oxford	$323,135.49	$71,567.08	$562,234.98	$34,067.18	$151.58	991,156.31
340 - Mulgrave	$300,428.59	$34,362.49	$507,586.22	$14,420.93	$161.06	856,959.29
343 - Parrsboro	$394,127.77	$105,224.15	$851,191.86	$37,674.06	$323.62	1,388,541.48
345 - New Glasgow	$3,038,427.80	$914,706.28	$4,987,313.29	$274,469.15	$2,388.85	9,217,305.37
348 - Pictou	$1,214,316.38	$345,997.64	$1,781,051.75	$86,423.30	$1,505.75	3,429,295.02
353 - Pugwash	$448,765.09	$121,830.46	$734,386.10	$46,901.86	$501.58	1,352,385.09
358 - River John	$243,172.45	$57,699.22	$440,260.53	$19,264.54	$151.45	760,548.19
367 - Springhill	$462,213.87	$84,851.13	$953,427.08	$53,051.47	$277.01	1,553,820.56
370 - Sherbrooke	$245,568.65	$73,345.50	$422,924.91	$16,605.20	$475.35	759,119.61
375 - Stellarton	$952,513.76	$179,542.00	$1,545,175.06	$54,552.69	$589.46	2,732,372.97
382 - Tatamagouche	$550,272.63	$203,177.90	$1,035,806.71	$39,464.41	$633.24	1,829,354.89
387 - Trenton	$509,454.97	$97,987.54	$985,021.70	$29,894.22	$257.45	1,622,615.88
392 - Truro	$3,524,199.59	$1,094,876.69	$5,509,756.68	$332,763.06	$3,660.36	10,465,456.38
394 - Truro Mall	$1,296,432.51	$249,281.61	$1,373,712.08	$117,102.69	$858.91	3,077,387.80
397 - Westville	$674,327.98	$100,112.07	$1,550,373.51	$60,014.63	$291.43	2,385,119.62
TOTAL REGION 3	**$21,914,528.67**	**$5,873,437.49**	**$35,493,649.86**	**$1,914,049.76**	**$21,688.81**	**$65,217,354.59**

REGION 4 - CAPE BRETON

407 - Arichat	$539,597.19	$92,377.03	$759,028.67	$26,401.77	$725.38	1,418,131.04
408 - Baddeck	$1,109,585.19	$417,080.46	$1,548,118.84	$62,746.86	$1,244.67	3,158,766.27
413 - Cheticamp	$632,306.90	$194,931.61	$1,035,120.75	$63,334.14	$1,075.73	1,946,769.13
418 - Dominion	$399,496.79	$50,337.69	$849,263.29	$34,441.77	$542.76	1,333,614.30
426 - Glace Bay	$2,480,487.00	$365,742.82	$5,039,763.24	$268,122.36	$1,110.17	8,156,222.09
431 - Ingonish	$548,440.63	$226,836.04	$847,042.29	$49,874.29	$860.65	1,672,553.95
436 - Inverness	$731,945.60	$167,424.46	$1,226,723.73	$45,781.02	$769.36	2,172,644.36
441 - Louisbourg	$371,144.92	$69,307.66	$566,592.01	$26,286.63	$455.01	1,030,786.25
445 - New Waterford	$1,143,140.60	$155,712.20	$2,762,186.54	$112,298.27	$562.98	4,173,900.59
451 - North Sydney	$2,040,949.37	$397,581.94	$2,945,627.65	$214,230.22	$1,279.38	5,599,668.56
455 - Port Hawkesbury	$2,188,670.07	$652,452.30	$3,055,964.25	$141,282.60	$6,793.01	6,045,162.23
460 - Port Hood	$607,311.41	$119,634.30	$678,027.03	$26,272.69	$604.32	1,431,849.75
477 - St. Peters	$599,013.01	$115,080.35	$1,064,706.27	$44,438.26	$587.81	1,823,225.70
479 - Sydney	$1,711,303.84	$458,341.22	$2,128,864.75	$126,974.40	$1,362.99	4,426,847.17
480 - Mayflower Mall	$728,942.74	$255,070.67	$314,472.18	$47,395.86	$1,483.62	1,347,312.07
481 - Sydney K-Mart Plaza	$2,104,560.49	$411,662.96	$3,211,161.83	$179,851.42	$11,315.83	6,918,552.55
483 - Whitney Pier	$500,527.94	$68,719.26	$904,221.55	$26,699.34	$209.41	1,500,377.50
490 - Sydney Mines	$992,113.11	$137,152.87	$2,283,198.28	$115,400.14	$453.79	3,528,318.19
496 - Sydney River	$3,715,694.87	$1,156,131.30	$6,329,820.26	$441,414.73	$6,535.65	11,649,596.79
TOTAL REGION 4	**$23,145,233.87**	**$5,510,776.67**	**$37,569,301.76**	**$2,073,231.77**	**$37,649.70**	**$68,336,193.77**

Annapolis	$724,159.28	$299,625.88	$968,683.10	$51,208.21	$883.72	$2,044,560.19
Barrington Passage	$1,027,428.13	$116,722.34	$1,249,993.32	$94,069.69	$651.89	2,488,865.37
Bridgewater	$3,029,380.67	$1,114,917.47	$4,164,079.06	$184,552.93	$4,694.77	8,497,624.90
Bridgewater Mall	$906,946.13	$274,118.50	$421,769.45	$45,896.57	$1,241.81	1,649,972.46
Caledonia	$268,590.82	$61,416.23	$392,227.86	$18,598.01	$80.62	740,913.54
Berwick	$930,039.82	$230,922.93	$1,551,168.98	$67,501.41	$664.33	2,780,297.47
Bridgetown	$396,441.66	$103,619.89	$617,347.27	$22,828.56	$247.45	1,140,484.83
Digby	$1,458,701.66	$440,882.65	$2,065,700.04	$108,604.88	$950.89	4,074,840.12
Kentville	$1,560,096.94	$544,432.49	$2,875,454.38	$141,711.48	$1,257.35	5,122,952.64
Kingston	$1,558,078.61	$532,236.56	$2,674,626.75	$150,426.80	$2,862.62	4,918,231.34
Liverpool	$1,515,773.24	$398,628.27	$1,687,064.02	$81,253.34	$697.98	3,683,616.85
Lockeport	$333,750.44	$40,049.70	$289,266.24	$16,245.19	$176.68	679,488.25
Lunenburg	$1,348,105.82	$544,741.91	$1,329,693.69	$55,924.11	$1,607.32	3,280,072.85
Mahone Bay	$853,629.38	$340,445.19	$1,020,580.51	$39,094.80	$729.41	2,254,479.29
Meteghan	$920,488.21	$197,035.43	$1,482,648.46	$53,953.30	$855.47	2,654,980.87
Middleton	$815,805.35	$216,079.69	$1,216,511.16	$55,763.73	$462.71	2,304,622.64
New Minas	$1,956,759.66	$762,214.49	$2,690,057.88	$199,757.36	$4,153.23	5,612,942.62
New Germany	$407,400.48	$69,248.71	$635,126.30	$19,538.91	$247.90	1,131,562.30
Shelburne	$922,521.17	$242,666.06	$1,173,501.68	$60,498.05	$651.48	2,399,838.94
West Pubnico	$435,698.98	$88,349.41	$358,707.76	$20,706.02	$343.33	903,805.50
Weymouth	$444,765.19	$107,533.45	$796,668.18	$26,563.96	$341.44	1,375,892.22
Wolfville	$1,084,474.99	$704,191.77	$1,593,166.48	$117,147.55	$1,645.39	3,500,646.18
Yarmouth	$3,212,166.16	$800,467.46	$3,878,100.00	$229,974.90	$2,799.35	8,123,507.87
TAL REGION 5	**$26,111,202.79**	**$8,230,546.48**	**$35,132,162.57**	**$1,861,839.76**	**$28,447.64**	**$71,364,199.24**
RAND TOTAL SALES	**$128,458,088.57**	**$53,984,139.50**	**$197,343,337.03**	**$11,291,266.21**	**$353,841.22**	**$391,430,672.53**
RODUCER SALES						**$4,727,711**

GENCY STORES

	LOCATION	TOTAL
der's Convenience	Advocate	$117,936.33
minion Chair Ltd.	Bass River	$174,370.78
singers Grocery	Freeport	$166,715.27
Corner Store	Salmon River	$276,966.22
tic Corner Convenience	Iona	$146,510.04
eds	New Ross	$229,338.82
een Gables	Wentworth Valley	$195,908.48
op Atlantic	Whycocomagh	$326,527.72
TAL		$1,634,273.66

PRODUCTS AND PRICING

2000	Number of product listings offered to consumers throughout Nova Scotia: 1100 core brands and 900 Port of Wine brands
43	Number of countries from which the NSLC buys its products
343	Number of suppliers the NSLC purchased product from for fiscal 2001/02
1.1	Percentage retail prices of spirits has increased since 1996
1.3	Percentage retail prices of wines has increased since 1996
6.6	Percentage retail prices of beer have increased over last 5 years
446	Approximate number of products that had a decrease in retail price for fiscal 2000/01

OUR EMPLOYEES

489	Number of permanent full-time NSLC employees
376	Number of NSLC retail staff who have passed the highest level of our Product Master Specialist courses to date
783	Number of NSLC retail staff who have passed Product Knowledge Courses
775	Number of NSLC retail staff who have passed Customer Service Courses
812	Number of NSLC retail staff who have passed Selling Skills Courses
1200	Number of NSLC retail staff who received training in fiscal 2001/02 to help prevent service to minors or people who appear intoxicated
746	Number of NSLC retail staff who have participated in Hard Target Training: loss prevention and protection program.
85	Percentage of customers who have rated Employee Service as positive
1000	Average number of customer inquiries handled through customer concern line annually
864	Lives saved from 216 units of blood donated by NSLC employees in 2001/02

TOP SALARIES

$116,735	Executive Vice President Retail Services
$83,000	Vice President, Finance and Systems
$83,000	Vice President, Store Operations
$83,000	Vice President, Merchandising Services
$83,000	Vice President, Property Management

CHARITY FUNDING

$5,678	Amount raised by NSLC employees for the United Way in fiscal 2001/02
$35,829	Amount raised by NSLC employees for the IWK Grace Children's Hospital in fiscal 2001/02
$7,584	Amount raised by NSLC employees for Metro Food Bank

SOCIAL RESPONSIBILITY

252,134	Number of customers challenged for proof of age or sobriety by NSLC staff in fiscal 2001/02
10,079	Number of customers refused service by NSLC employees for the same period

The Spirit Category is the only one to decrease from 2001. Wine and cooler sales have increased 0.3% and 0.8% respectively.
(Dollars to the nearest 000s)

Spirits	$128,458.1	32.7%
Wine	$53,984.1	13.8%
Beer	$197,343.3	50.4%
Coolers	$11,291.3	2.9%
Other	$353.8	0.1%
Special Orders	$481.1	0.1%
Total	$391,911.8	100.0%

GENERAL LICENSEE SALES

General sales dollars have increased 5.86% over last year. Licensee sales dollars are up from last year 2.59%. Note: Discounts are not included.
(Dollars to the nearest 000s)

2002

General	$114,816.3	89.4%
Licensee	$13,641.8	10.6%
Total	$128,458.1	100.0%

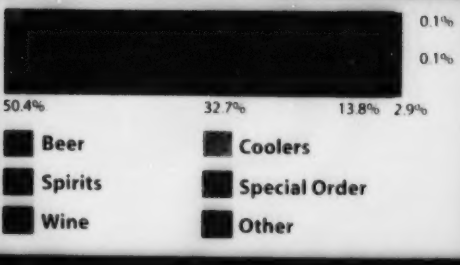
General	$46,259.1	85.7%
Licensee	$7,725.0	14.3%
Total	$53,984.1	100.0%

General	$154,372.7	78.2%
Licensee	$42,970.6	21.8%
Total	$197,343.3	100.0%

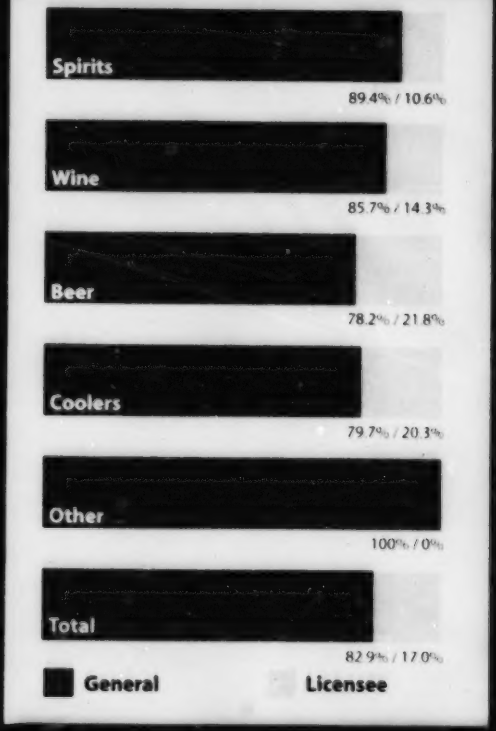
General	$9,000.7	79.7%
Licensee	$2,290.6	20.3%
Total	$11,291.3	100.0%

General	$353.8	100.0%
Licensee	$0.0	0.0%
Total	$353.8	100.0%

General	$324,802.7	82.9%
Licensee	$66,628.0	17.0%
Total	$391,430.7	99.9%
Special Orders	481.1	0.1%
Total Sales	$391,911.8	100.0%



GENERAL LICENSEE SALES



PRODUCTS AND PRICING

2000	Number of product listings offered to consumers throughout Nova Scotia; 1100 core brands and 900 Port of Wine brands
45	Number of countries from which the NSLC buys its products
340	Number of suppliers the NSLC purchased product from for fiscal 2001/02
1.1	Percentage retail prices of spirits has increased since 1996
1.3	Percentage retail prices of wines has increased since 1996
6.6	Percentage retail prices of beer have increased over last 5 years
445	Approximate number of products that had a decrease in retail price for fiscal 2000/01

OUR EMPLOYEES

659	Number of permanent full-time NSLC employees
376	Number of NSLC retail staff who have passed the highest level of our Product Master Specialist courses to date
781	Number of NSLC retail staff who have passed Product Knowledge Courses
773	Number of NSLC retail staff who have passed Customer Service Courses
812	Number of NSLC retail staff who have passed Selling Skills Courses
1289	Number of NSLC retail staff who received training in fiscal 2001/02 to help prevent service to minors or people who appear intoxicated
748	Number of NSLC retail staff who have participated in Hard Target Training; loss prevention and protection program.
85	Percentage of customers who have rated Employee Service as positive
1000	Average number of customer inquiries handled through customer concern line annually
864	Lives saved from 216 units of blood donated by NSLC employees in 2001/02

TOP SALARIES

$118,733	Executive Vice President Retail Services
$83,600	Vice President, Finance and Systems
$83,600	Vice President, Store Operations
$83,600	Vice President, Merchandising Services
$80,600	Vice President, Property Management

CHARITY FUNDING

$5,670	Amount raised by NSLC employees for the United Way in fiscal 2001/02
$30,039	Amount raised by NSLC employees for the IWK Grace Children's Hospital in fiscal 2001/02
$7,504	Amount raised by NSLC employees for Metro Food Bank

SOCIAL RESPONSIBILITY

252,134	Number of customers challenged for proof of age or sobriety by NSLC staff in fiscal 2001/02
1,903	Number of customers refused service by NSLC employees for the same period

SOURCE OF GROSS SALES REVENUE

The Spirit Category is the only one to decrease from 2001. Wine and cooler sales have increased 0.3% and 0.8% respectively.
(Dollars to the nearest 000s)

Spirits	$128,458.1	32.7%
Wine	$53,984.1	13.8%
Beer	$197,343.3	50.4%
Coolers	$11,291.3	2.9%
Other	$353.8	0.1%
Special Orders	$481.1	0.1%
Total	$391,911.8	100.0%

GENERAL - LICENSEE SALES

General sales dollars have increased 5.86% over last year. Licensee sales dollars are up from last year 2.59%. Note: Discounts are not included.
(Dollars to the nearest 000s)

2002

General	$114,816.3	89.4%
Licensee	$13,641.8	10.6%
Total	$128,458.1	100.0%

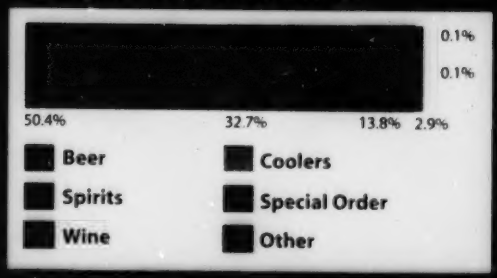
General	$46,259.1	85.7%
Licensee	$7,725.0	14.3%
Total	$53,984.1	100.0%

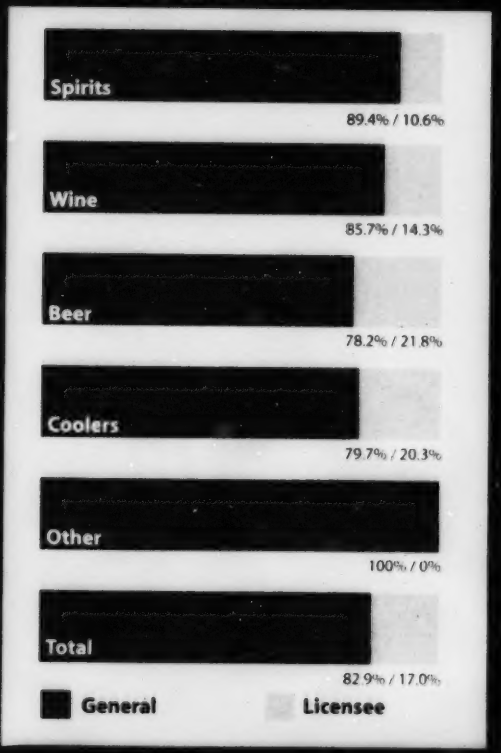
General	$154,372.7	78.2%
Licensee	$42,970.6	21.8%
Total	$197,343.3	100.0%

General	$9,000.7	79.7%
Licensee	$2,290.6	20.3%
Total	$11,291.3	100.0%

General	$353.8	100.0%
Licensee	$0.0	0.0%
Total	$353.8	100.0%

General	$324,802.7	82.9%
Licensee	$66,628.0	17.0%
Total	$391,430.7	99.9%
Special Orders	481.1	0.1%
Total Sales	$391,911.8	100.0%





CANADIAN AND IMPORTED SALES

Canadian products account for 82.3% of all products sold; 17.7% are imported. Imports have decreased their share by 0.6% over last year. Note: Discounts are not included.
(Dollars to the nearest 000s)

2002

$103,732.7	80.8%
$24,725.4	19.2%
$128,458.1	100.0%

$17,711.9	32.8%
$36,272.2	67.2%
$53,984.1	100.0%

$188,880.9	95.7%
$8,462.5	4.3%
$197,343.3	100.0%

$11,291.3	100.0%
$0.0	0.0%
$11,291.3	100.0%

$353.8	100.0%
$0.0	0.0%
$353.8	100.0%

$321,970.6	82.3%
$69,460.1	17.7%
$391,430.7	100.0%
481.1	
$391,911.8	

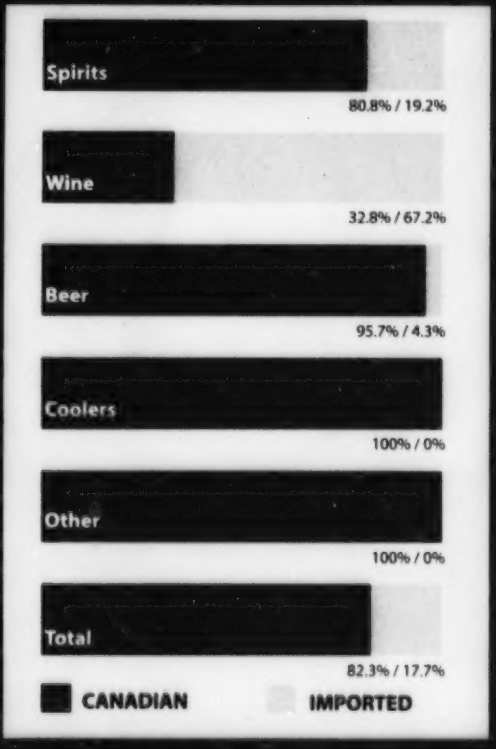
DISTRIBUTION OF SALES REVENUE DOLLARS

Two Year Comparison (Relatively Stable). Cost of Store Operations remained constant while administrative decreased as a percentage of total sales.
(Dollars to the nearest 000s)

$197,562.7	50.5%
$37,009.7	9.5%
$4,766.8	1.2%
$9,218.6	2.4%
($1,045.2)	-0.3%
$143,858.7	36.7%
$56.0	0.0%

$187,119.6	50.3%
$35,196.1	9.5%
$4,530.2	1.2%
$9,734.3	2.6%
($2,128.2)	-0.6%
$137,183.0	36.8%
$659.3	0.2%

CANADIAN AND IMPORTED SALES



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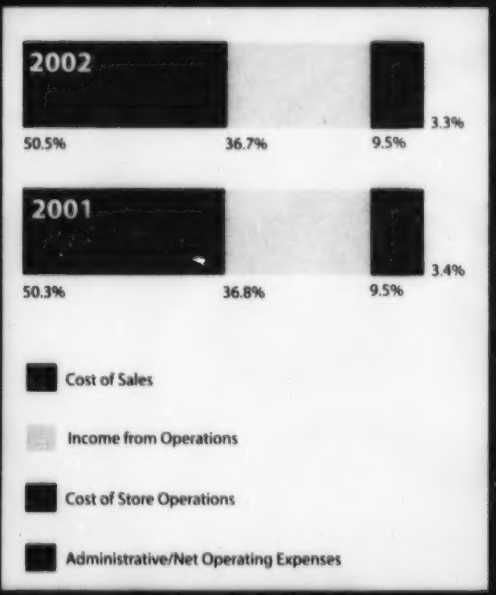


For the fifth year, the Spirit category has shown an increase. Beer sales were up from last year and coolers and wine continue to improve. Note: Discounts are not included.
(Dollars to the nearest 000s)

BY CLASS OF SALES

01-02	$128,458.1	$53,984.1	$197,343.4	$11,291.3	$353.8	$481.1	$391,911.8
00-01	$127,110.1	$49,698.9	$186,784.0	$7,990.7	$316.0	$486.0	$372,385.7
00-99	$125,400.2	$46,975.5	$187,320.0	$6,829.1	$321.6	$442.7	$367,289.1
98-99	$120,227.2	$41,363.0	$178,618.9	$6,007.1	$328.1	$477.5	$347,021.7
97-98	$117,025.4	$37,341.7	$168,567.4	$4,203.8	$353.4	$400.7	$327,892.4

CDN VS. IMP-GROSS LIQUOR REVENUE

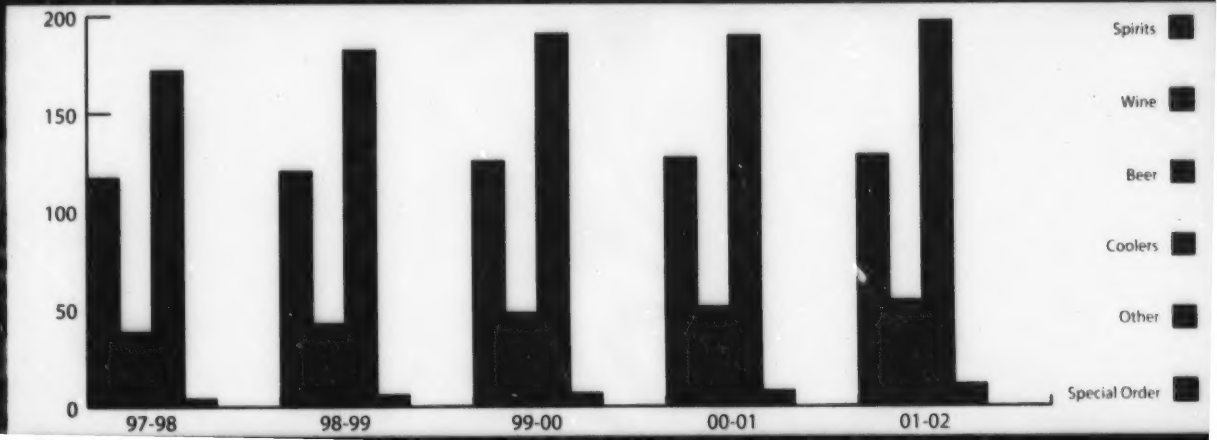
Cdn 01-02	$103,732.7	$17,711.9	$188,881.0	$11,291.3	$353.8	N/A	$321,970.6
Imp	$24,725.4	$36,272.2	$8,462.5	$0.0	$0.0	N/A	$69,460.1
Cdn 00-01	$100,969.5	$17,615.2	$176,722.8	$7,990.7	$315.8	N/A	$303,614.0
Imp	$26,140.6	$32,083.7	$10,061.2	$0.0	$0.2	N/A	$68,285.7
Cdn 00-99	$101,329.5	$17,181.0	$178,255.1	$6,687.2	$321.6	N/A	$303,774.4
Imp	$24,070.7	$29,794.5	$9,064.9	$141.9	$0.0	N/A	$63,072.0
Cdn 98-99	$100,738.0	$17,846.9	$171,556.6	$4,725.4	$327.6	N/A	$295,194.5
Imp	$19,489.2	$23,516.1	$7,062.2	$1,281.6	$0.5	N/A	$51,349.7
Cdn 97-98	$98,077.9	$15,275.3	$163,332.6	$2,918.9	$351.6	N/A	$279,956.3
Imp	$18,947.5	$22,066.4	$5,234.8	$1,284.8	$1.8	N/A	$47,535.4

LICENSEE SALES

01-02	$13,641.8	$7,725.0	$42,970.6	$2,290.6	$0.0	N/A	$66,628.0
00-01	$13,882.1	$7,331.8	$42,240.2	$1,494.1	$0.0	N/A	$64,948.2
00-99	$13,841.9	$6,829.8	$42,231.9	$1,159.1	$0.0	N/A	$62,550.8
98-99	$13,370.1	$6,024.1	$42,236.0	$920.4	$0.2	N/A	$59,308.7
97-98	$12,781.2	$5,541.0	$40,467.0	$519.1	$0.5	N/A	$54,426.5

Note 1: Other is Non Liquor. Note 2: Prior year sales have been changed to remove Producer Outlet Sales.

BY CLASS OF SALES (IN MILLIONS OF DOLLARS)



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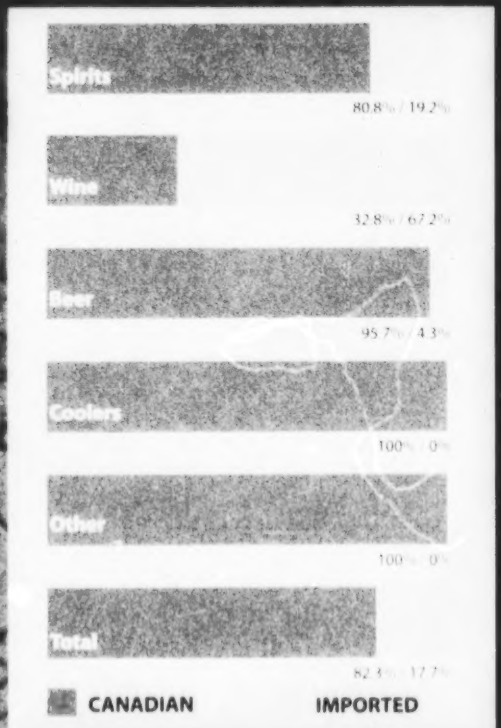
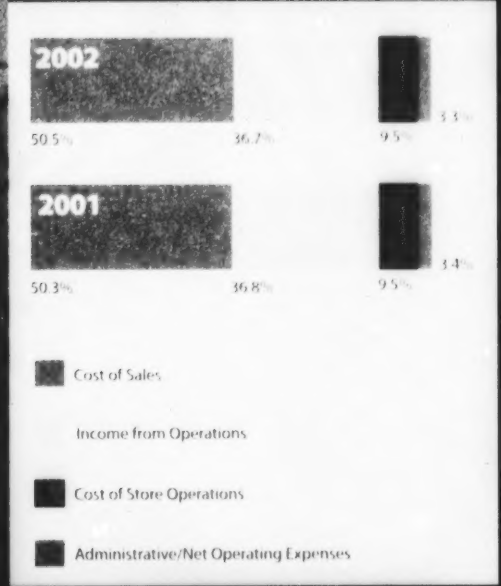


DISTRIBUTION OF SALES REVENUE DOLLARS



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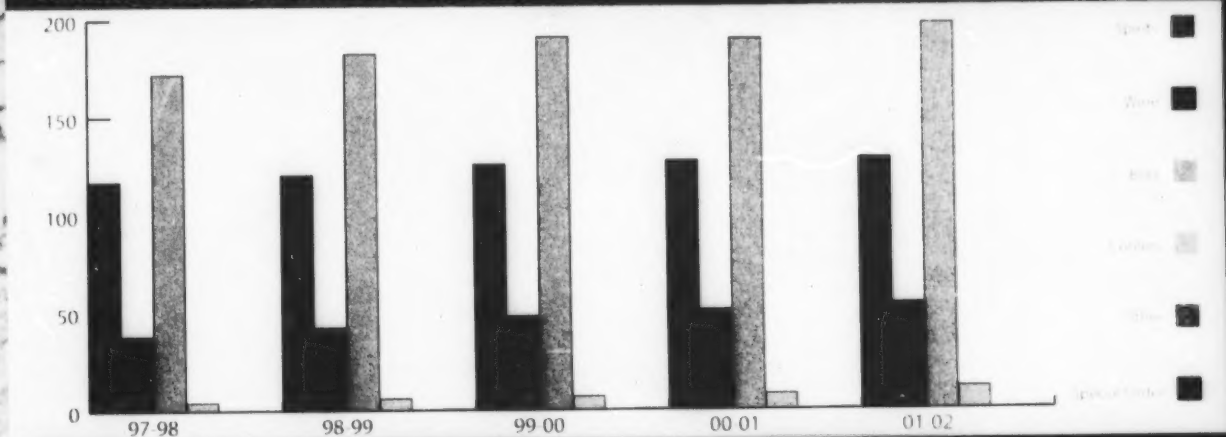

$724,159.28	$299,625.88	$968,683.10	$51,208.21	$883.72	$2,044,560.19
$1,027,428.13	$116,722.34	$1,249,993.32	$94,069.69	$651.89	2,488,865.37
$3,029,380.67	$1,114,917.47	$4,164,079.06	$184,552.93	$4,694.77	8,497,624.90
$906,946.13	$274,118.50	$421,769.45	$45,896.57	$1,241.81	1,649,972.46
$268,590.82	$61,416.23	$392,227.86	$18,598.01	$80.62	740,913.54
$930,039.82	$230,922.93	$1,551,168.98	$67,501.41	$664.33	2,780,297.47
$396,441.66	$103,619.89	$617,347.27	$22,828.56	$247.45	1,140,484.83
$1,458,701.66	$440,882.65	$2,065,700.04	$108,604.88	$950.89	4,074,840.12
$1,560,096.94	$544,432.49	$2,875,454.38	$141,711.48	$1,257.35	5,122,952.64
$1,558,078.61	$532,236.56	$2,674,626.75	$150,426.80	$2,862.62	4,918,231.34
$1,515,773.24	$398,628.27	$1,687,064.02	$81,253.34	$897.98	3,683,616.85
$333,750.44	$40,049.70	$289,266.24	$16,245.19	$176.68	679,488.25
$1,348,105.82	$544,741.91	$1,329,693.69	$55,924.11	$1,607.32	3,280,072.85
$853,629.38	$340,445.19	$1,020,580.51	$39,094.80	$729.41	2,254,479.29
$920,488.21	$197,035.43	$1,482,648.46	$53,953.30	$855.47	2,654,980.87
$815,805.35	$216,079.69	$1,216,511.16	$55,763.73	$462.71	2,304,622.64
$1,956,759.66	$762,214.49	$2,690,057.88	$199,757.36	$4,153.23	5,612,942.62
$407,400.48	$69,248.71	$635,126.30	$19,538.91	$247.90	1,131,562.30
$922,521.17	$242,666.06	$1,173,501.68	$60,498.05	$651.98	2,399,838.94
$435,698.98	$88,349.41	$358,707.76	$20,706.02	$343.33	903,805.50
$444,765.19	$107,533.45	$796,668.18	$26,583.96	$341.44	1,375,892.22
$1,084,474.99	$704,191.77	$1,593,186.48	$117,147.55	$1,645.39	3,500,646.18
$3,212,166.16	$800,467.46	$3,878,100.00	$229,974.90	$2,799.35	8,123,507.87
$26,111,202.79	**$9,230,546.48**	**$35,132,162.57**	**$1,861,839.76**	**$28,447.64**	**$71,364,199.24**

THE MARKETPLACE

180	Number of NSLC self service retail stores serving communities across Nova Scotia
24	Number of NSLC retail outlets that offer specialty Port of Wine products
12	Number of NSLC retail outlets positioned within large grocery stores across Nova Scotia
7	Number of NSLC retail outlets that offer Bottle Your Own Wine: bulk buying
2	Number of NSLC retail outlets that offer Drive Thru service
7	Number of Farm & Cottage Wineries operating in Nova Scotia
4	Number of Brew Pubs operating in Nova Scotia
5	Number of independent breweries operating in Nova Scotia with private retail stores adjacent to the manufacturing facility.
8	Number of Agency stores operating in Nova Scotia

OUR STORES

20	Number of NSLC retail outlets offering between 1000 - 1500 brands for sale
68	Number of NSLC retail outlets offering between 500 - 1000 brands for sale
15	Number of NSLC retail outlets offering between 300 - 500 brands for sale
6	Number of days of week NSLC stores are open: average store open 60 hrs./wk.
15.7 million	Total number of transactions in NSLC retail outlets in fiscal 2001/02
2000	Approximate number of product tastings conducted in NSLC retail outlets annually
21.7	Percentage of all NSLC transactions paid for by debit card
6.9	Percentage of all NSLC transactions paid for by credit card

OUR FINANCIAL PERFORMANCE

$391.4 million	The NSLC's net sales in fiscal 2001/02
$143.9 million	Net Operating Profit the NSLC transferred to the Province of Nova Scotia for the fiscal year 2001/02
$683.2 million	Profits the NSLC transferred to the Province in the last 5 fiscal years combined
$1.2 billion	Profits the NSLC transferred to the Province over the past 10 years
36.7%	NSLC's Net Operating Income margin in fiscal 2001/02
12.5%	The NSLC's operational expenses as a percentage of net sales for the fiscal year 2001/02 (down from 13.8% in fiscal 1995-96)
$58.0 million	Amount the NSLC transferred to the provincial government in Harmonized Sales Tax (HST) in fiscal 2001/02
$2.7 million	Amount the NSLC spent on capital improvements to its retail outlets (renovations, relocations, etc.) in fiscal 2001/02

Litres per capita – 15 years and over – 5 year comparison

Wine consumption rose in all provinces. Beer consumption declined from last year, while spirit consumption increased over last year. Nova Scotia experienced an increase in consumption in all but the beer category.

SPIRITS

Newfoundland	6.8	6.8	7.1	7.3	7.6
Prince Edward Island	6.5	5.3	7.0	7.5	7.9
Nova Scotia	6.7	6.7	7.4	7.4	7.7
New Brunswick	5.3	5.4	5.7	4.6	4.7
Quebec	2.5	2.5	2.6	2.7	2.7
Ontario	5.7	6.3	6.9	7.4	7.4
Manitoba	7.9	8.0	8.3	8.7	8.7
Saskatchewan	7.5	7.7	8.1	6.9	6.7
Alberta	7.7	7.9	8.0	7.9	8.1
British Columbia	6.8	6.9	7.0	5.8	5.8
Yukon	11.9	12.6	12.8	12.5	12.7
Northwest Territories	9.5	10.0	9.7	10.9	11.8
TOTAL	**5.4**	**5.7**	**6.1**	**6.0**	**6.1**

BEER

Newfoundland	91.2	87.6	89.5	93.6	91.3
Prince Edward Island	77.3	74.6	75.9	77.3	76.6
Nova Scotia	74.6	75.0	77.6	79.5	78.5
New Brunswick	75.1	75.7	77.2	80.5	79.3
Quebec	92.1	92.8	94.5	95.3	93.4
Ontario	84.2	84.3	84.7	85.9	83.6
Manitoba	76.6	77.4	77.1	76.2	76.6
Saskatchewan	69.7	72.1	73.5	74.7	73.5
Alberta	85.0	88.8	91.1	89.4	88.8
British Columbia	83.4	81.9	81.1	78.1	78.1
Yukon	156.1	152.5	150.4	152.5	153.7
Northwest Territories	79.9	77.4	78.7	79.5	78.1
TOTAL	**85.0**	**85.4**	**86.3**	**86.6**	**85.1**

WINE

Newfoundland	3.6	3.8	4.1	4.7	5.1
Prince Edward Island	5.5	5.7	6.0	6.3	6.7
Nova Scotia	6.0	6.5	6.7	7.7	8.2
New Brunswick	5.0	5.4	5.9	8.0	8.6
Quebec	12.9	13.0	14.2	15.3	16.0
Ontario	9.8	10.0	10.2	10.6	11.0
Manitoba	6.6	6.9	7.3	7.4	7.5
Saskatchewan	4.4	4.6	4.7	6.2	6.6
Alberta	10.1	11.1	12.2	12.0	13.0
British Columbia	14.3	14.0	13.8	15.4	15.8
Yukon	19.0	18.8	17.7	11.9	11.8
Northwest Territories	5.5	6.4	7.0	6.0	5.9
TOTAL	**10.6**	**10.7**	**11.2**	**12.0**	**12.5**

ALL ALCOHOLIC BEVERAGES

Newfoundland	101.7	98.2	100.7	105.5	104.0
Prince Edward Island	89.3	85.6	88.9	91.1	91.2
Nova Scotia	87.2	88.2	91.7	94.6	94.3
New Brunswick	85.4	86.5	88.8	93.1	92.5
Quebec	107.5	108.3	111.3	113.2	112.1
Ontario	99.8	100.6	101.3	103.9	102.0
Manitoba	91.1	92.3	92.7	92.3	92.8
Saskatchewan	81.7	84.4	86.3	87.8	86.8
Alberta	102.8	107.8	111.3	109.3	109.8
British Columbia	104.6	102.8	101.9	99.3	99.7
Yukon	187.0	183.9	180.9	176.9	178.3
Northwest Territories	94.9	93.8	95.4	96.4	95.8
TOTAL	**101.0**	**101.8**	**103.6**	**104.6**	**103.7**

NOTE:

1. All figures is based on the fiscal year ended March 31, except for the Alberta Liquor Control Board which ends nearest to December 31.

2. These figures contain revisions based on the 1991 census estimates.

Source: Annual Statistical Bulletin 2001, Brewers Association of Canada

* Revised

(Approximate Hectolitres - does not include producer outlets)
Overall spirit volumes levelled off after 4 years of growth.
Imported wine and spirits have been steadily increasing in volume since 1995/96

	2001/02		2000/01		1999/00		1998/99		1997/98	
Spirits										
Canadian	40,102.6		40,682.1		40,737.4		40,656.2		40,058.6	
Imported	10,525.0		9,997.1		9,243.0		7,553.3		7,014.7	
Total	**50,627.6**	**6.9%**	**50,679.2**	**7.0%**	**49,980.4**	**6.9%**	**48,209.5**	**6.9%**	**47,073.2**	**7.1%**
Wine										
Canadian	25,771.5		25,078.6		24,023.6		22,431.0		22,481.0	
Imported	28,843.6		26,655.5		25,192.1		22,681.9		20,109.8	
Total	**54,615.1**	**7.5%**	**51,734.1**	**7.5%**	**49,215.7**	**7.3%**	**45,112.9**	**6.9%**	**42,590.8**	**6.7%**
Beer										
Canadian	581,180.3		552,503.3		567,576.2		555,961.6		540,260.4	
Imported	24,639.2		38,824.5		27,458.3		19,178.4		12,577.4	
Total	**605,819.5**	**82.8%**	**591,327.8**	**83.2%**	**595,034.5**	**84.0%**	**575,140.0**	**84.6%**	**552,837.8**	**84.8%**
Coolers										
Canadian	20,754.5		16,314.9		12,738.0		8,458.0		5,161.8	
Imported	0.0		160.0		238.9		2,067.7		2,038.8	
Total	**20,754.5**	**2.8%**	**16,474.9**	**2.3%**	**12,976.9**	**1.8%**	**10,525.7**	**1.5%**	**7,200.6**	**1.4%**
Cider										
Canadian	3.5		0.0		0.0		0.0		0.0	
Imported	0.0		0.1		8.4		0.9		2.2	
Total	**3.5**	**0.0%**	**-0.1**	**-0.0%**	**8.4**	**0.0%**	**0.9**	**0.0%**	**2.2**	**0.0%**
Grand Total	**731,820.2**	**100.0%**	**710,215.9**	**100.0%**	**707,215.8**	**100.0%**	**678,988.0**	**100.0%**	**649,704.8**	**100.0%**

Note: Prior years have been adjusted. Producer outlet volume has been removed.

(Litres per capita – 15 years and over – 5 year comparison)

Wine consumption rose in all provinces. Beer consumption declined from last year, while spirit consumption increased over last year. Nova Scotia experienced an increase in consumption in all but the beer category.

SPIRITS

Newfoundland	6.8	6.8	7.1	7.3	7.6
Prince Edward Island	6.5	5.3	7.0	7.5	7.9
Nova Scotia	6.7	6.7	7.4	7.4	7.7
New Brunswick	5.3	5.4	5.7	4.6	4.7
Quebec	2.5	2.5	2.6	2.7	2.7
Ontario	5.7	6.3	6.9	7.4	7.4
Manitoba	7.9	8.0	8.3	8.7	8.7
Saskatchewan	7.5	7.7	8.1	6.9	6.7
Alberta	7.7	7.9	8.0	7.9	8.1
British Columbia	6.8	6.9	7.0	5.8	5.8
Yukon	11.9	12.6	12.8	12.5	12.7
Northwest Territories	9.5	10.0	9.7	10.9	11.8
TOTAL	5.4	5.7	6.1	6.0	6.1

BEER

Newfoundland	91.2	87.6	89.5	93.6	91.3
Prince Edward Island	77.3	74.6	75.9	77.3	76.6
Nova Scotia	74.6	75.0	77.6	79.5	78.5
New Brunswick	75.1	75.7	77.2	80.5	79.3
Quebec	92.1	92.8	94.5	95.3	93.4
Ontario	84.2	84.3	84.7	85.9	83.6
Manitoba	76.6	77.4	77.1	76.2	76.6
Saskatchewan	69.7	72.1	73.5	74.7	73.5
Alberta	85.0	88.8	91.1	89.4	88.8
British Columbia	83.4	81.9	81.1	78.1	78.1
Yukon	156.1	152.5	150.4	152.5	153.7
Northwest Territories	79.9	77.4	78.7	79.5	78.1
TOTAL	85.0	85.4	86.3	86.6	85.1

WINE

Newfoundland	3.6	3.8	4.1	4.7	5.1
Prince Edward Island	5.5	5.7	6.0	6.3	6.7
Nova Scotia	6.0	6.5	6.7	7.7	8.2
New Brunswick	5.0	5.4	5.9	8.0	8.6
Quebec	12.9	13.0	14.2	15.3	16.0
Ontario	9.8	10.0	10.2	10.6	11.0
Manitoba	6.6	6.9	7.3	7.4	7.5
Saskatchewan	4.4	4.6	4.7	6.2	6.6
Alberta	10.1	11.1	12.2	12.0	13.0
British Columbia	14.3	14.0	13.8	15.4	15.8
Yukon	19.0	18.8	17.7	11.9	11.8
Northwest Territories	5.5	6.4	7.0	6.0	5.9
TOTAL	10.6	10.7	11.2	12.0	12.5

ALL ALCOHOLIC BEVERAGES

Newfoundland	101.7	98.2	100.7	105.5	104.0
Prince Edward Island	89.3	85.6	88.9	91.1	91.2
Nova Scotia	87.2	88.2	91.7	94.6	94.3
New Brunswick	85.4	86.5	88.8	93.1	92.5
Quebec	107.5	108.3	111.3	113.2	112.1
Ontario	99.8	100.6	101.8	103.9	102.0
Manitoba	91.1	92.3	92.7	92.3	92.8
Saskatchewan	81.7	84.4	86.3	87.8	86.8
Alberta	102.8	107.8	111.3	109.3	109.8
British Columbia	104.6	102.8	101.9	99.3	99.7
Yukon	187.0	183.9	180.9	176.9	178.3
Northwest Territories	94.9	93.8	95.4	96.4	95.8
TOTAL	101.0	101.8	103.6	104.6	103.7

NOTE:

1. All figures as based on the Fiscal year ended March 31, except for the Alberta Liquor Control Board which ends nearest to December 31.

2. These figures contain revisions based on the 1991 census estimates.

Source: Annual Statistical Bulletin 2001, Brewers Association of Canada

* Revised

(Approximate Hectolitres - does not include producer outlets)
Overall spirit volumes levelled off after 4 years of growth.
Imported wine and spirits have been steadily increasing in volume since 1995/96

	2001/02		2000/01		1999/00		1998/99		1997/98	
Canadian	40,102.6		40,682.1		40,737.4		40,656.2		40,058.6	
Imported	10,525.0		9,997.1		9,243.0		7,553.3		7,014.7	
Total	**50,627.6**	**6.9%**	**50,679.2**	**7.0%**	**49,980.4**	**6.9%**	**48,209.5**	**6.9%**	**47,073.2**	**7.1%**
Canadian	25,771.5		25,078.6		24,023.6		22,431.0		22,481.0	
Imported	28,843.6		26,655.5		25,192.1		22,681.9		20,109.8	
Total	**54,615.1**	**7.5%**	**51,734.1**	**7.5%**	**49,215.7**	**7.3%**	**45,112.9**	**6.9%**	**42,590.8**	**6.7%**
Canadian	581,180.3		552,503.3		567,576.2		555,961.6		540,260.4	
Imported	24,639.2		38,824.5		27,458.3		19,178.4		12,577.4	
Total	**605,819.5**	**82.8%**	**591,327.8**	**83.2%**	**595,034.5**	**84.0%**	**575,140.0**	**84.6%**	**552,837.8**	**84.8%**
Canadian	20,754.5		16,314.9		12,738.0		8,458.0		5,161.8	
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Total	**20,754.5**	**2.8%**	**16,474.9**	**2.3%**	**12,976.9**	**1.8%**	**10,525.7**	**1.5%**	**7,200.6**	**1.4%**
Canadian	3.5		0.0		0.0		0.0		0.0	
Imported	0.0		-0.1		8.4		0.9		2.2	
Total	**3.5**	**0.0%**	**-0.1**	**-0.0%**	**8.4**	**0.0%**	**0.9**	**0.0%**	**2.2**	**0.0%**
Grand Total	731,820.2	100.0%	710,215.9	100.0%	707,215.9	100.0%	678,989.0	100.0%	649,704.6	100.0%

Note: Prior years have been adjusted. Producer outlet volume has been removed.

BALANCE SHEET

March 31, 2002, with comparative figures for 2001
(In thousands of dollars)

	2002	2001
Current assets:		
Cash	$ 10,733	$ 8,576
Accounts receivable	2,457	3,117
Inventories of stock in warehouse and stores	19,516	16,804
Prepaid expenses	53	245
	32,759	28,742
Property and equipment:		
Furniture, fixtures and portable equipment	6,259	6,131
Other equipment	7,139	7,125
Computers	6,295	5,953
Land and buildings	12,330	12,607
Capital and leasehold improvements	24,719	23,025
	56,742	54,841
Less accumulated depreciation	44,239	42,145
	12,503	12,696
Assets under capital lease	10,831	10,831
Less accumulated amortization	8,888	8,356
	1,943	2,475

	2002	2001
Current liabilities:		
Accounts payable and accrued liabilities	$ 19,332	$ 18,533
Current portion of obligations under capital lease (note 3)	423	368
	19,755	18,901
Due to Minister of Finance	6,408	16,852
Obligation under capital lease (note 3)	7,737	8,160
Employee future benefit obligations (note 4)	13,305	12,702
Deficiency	–	(12,702)
Operating leases (note 5)		

See accompanying notes to financial statements.

BALANCE SHEET

March 31, 2002, with comparative figures for 2001
(In thousands of dollars)

	2002	2001
Current assets:		
Cash	$ 10,733	$ 8,576
Accounts receivable	2,457	3,117
Inventories of stock in warehouse and stores	19,516	16,804
Prepaid expenses	53	245
	32,759	28,742
Property and equipment:		
Furniture, fixtures and portable equipment	6,259	6,131
Other equipment	7,139	7,125
Computers	6,295	5,953
Land and buildings	12,330	12,607
Capital and leasehold improvements	24,719	23,025
	56,742	54,841
Less accumulated depreciation	44,239	42,145
	12,503	12,696
Assets under capital lease	10,831	10,831
Less accumulated amortization	8,888	8,356
	1,943	2,475
	[illegible]	[illegible]

	2002	2001
Current liabilities:		
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	19,755	18,901
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Obligation under capital lease (note 3)	7,737	8,160
Employee future benefit obligations (note 4)	13,305	12,702
Deficiency	-	(12,702)
Operating leases (note 5)		
	[illegible]	[illegible]

See accompanying notes to financial statements.

TATEMENT OF EARNINGS AND DEFICIENCY

Year ended March 31, 2002, with comparative figures for 2001
(In thousands of dollars)

	2002	% of Sales	2001	% of Sales
let sales	$ 391,427	100.0	$ 372,295	100.0
Cost of goods sold	197,563	50.5	187,120	50.3
	193,864	49.5	185,175	49.7
Stores' operating expenses	34,737	8.9	33,321	8.9
ncome, store operations	159,127	40.6	151,854	40.8
Depreciation and amortization	3,432	0.9	3,678	1.0
Warehousing and distribution expenses	4,217	1.1	3,980	1.1
Administrative expenses (note 6)	8,609	2.2	8,482	2.2
Other revenue	(3,695)	(1.0)	(3,889)	(1.0)
Other expenses	2,650	0.7	2,414	0.6
	15,213	3.9	14,665	3.9
Earnings before unusual item	143,914	36.7	137,189	36.9
Early retirement program	56	0.0	660	0.2
[illegible]	**143,858**	**36.7**	**136,529**	**36.7**
Deficiency, beginning of year:				
As previously reported	-		-	
Change in accounting policy (note 2)	(12,702)		(12,048)	
As restated	(12,702)		(12,048)	
Distributions made or to be made	(131,156)		(137,183)	
[illegible]	$ -		$ (12,702)	

STATEMENT OF CASH FLOWS

March 31, 2002, with comparative figures for 2001
(In thousands of dollars)

	2002	2001
		As restated note 2
Operations:		
Earnings from operations	$ 143,858	$ 136,529
Items not involving cash:		
Depreciation and amortization	3,432	3,678
Loss on sale of property and equipment	3	-
Increase in employee future benefit obligations	603	654
Change in non-cash operating working capital	(1,061)	3,912
	146,835	144,773
Financing:		
Principal payments on obligations under capital lease	(368)	(320)
Investments:		
Additions to property and equipment	(2,719)	(2,377)
Proceeds on disposal of property and equipment	9	
	(2,710)	(2,377)
Other:		
Remittances to Minister of Finance	(141,600)	(135,501)
Increase in cash 2,157	6,575	
Cash, beginning of year	8,576	2,001
[illegible]	**$ 10,733**	**$ 8,576**

See accompanying notes to financial statements.

Year ended March 31, 2002, with comparative figures for 2001
(In thousands of dollars)

	2002	% of Sales	2001	% of Sales
[illegible]	$ 391,427	100.0	$ 372,295	100.0
[illegible]	197,563	50.5	187,120	50.3
	193,864	49.5	185,175	49.7
[illegible]	34,737	8.9	33,321	8.9
[illegible]	159,127	40.6	151,854	40.8
[illegible]	3,432	0.9	3,678	1.0
[illegible]	4,217	1.1	3,980	1.1
[illegible]	8,609	2.2	8,482	2.2
[illegible]	(3,695)	(1.0)	(3,889)	(1.0)
[illegible]	2,650	0.7	2,414	0.6
	15,213	3.9	14,665	3.9
[illegible]	143,914	36.7	137,189	36.9
[illegible]	56	0.0	660	0.2
[illegible]				
[illegible]	–		–	
[illegible]	(12,702)		(12,048)	
[illegible]	(12,702)		(12,048)	
[illegible]	(131,156)		(137,183)	

STATEMENT OF CASH FLOWS

March 31, 2002, with comparative figures for 2001
(In thousands of dollars)

	2002	2001 (As restated note 2)
[illegible]		
[illegible]	$ 143,858	$ 136,529
[illegible]		
[illegible]	3,432	3,678
[illegible]	3	–
[illegible]	603	654
[illegible]	(1,061)	3,912
	146,835	144,773
[illegible]		
[illegible]	(368)	(320)
[illegible]		
[illegible]	(2,719)	(2,377)
[illegible]	9	–
	(2,710)	(2,377)
[illegible]		
[illegible]	(141,600)	(135,501)
[illegible]	6,575	
[illegible]	8,576	2,001

See accompanying notes to financial statements.

Year ended March 31, 2002

The Nova Scotia Liquor Corporation administers the Liquor Control Act, Chapter 260 of the Revised Statutes of Nova Scotia, 1989 and is a government business enterprise as defined by Public Sector Accounting Board recommendations. The Corporation was created June 1, 2001, by Chapter 4 of the Government Restructuring (2001) Act, via continuance of the Nova Scotia Liquor Commission as a body corporate.

(a) Inventories:
Inventories of stock in warehouse and stores are valued at the lower of cost and net realizable value. Customs and excise tax have not been included where payment is due upon shipment from bonded warehouse.

(b) Property and equipment:
Property and equipment are stated at cost. Depreciation and amortization are provided on the straight-line basis at the following annual rates:

Asset	Rate
Furniture, fixtures, portable equipment, other equipment and capital and leasehold improvements	10%
Computers - stand-alone	33%
Computers - integrated systems	20%
Land and buildings	5%

In the year of addition, depreciation is charged at the full annual rate.

Land costs which normally would not be depreciated are depreciated due to the retention of proceeds by the Province of Nova Scotia.

(c) Assets under capital lease:
Assets under capital lease are amortized over their estimated useful lives using the straight-line method.

(d) Employee future benefits:
The Corporation has a defined benefit retirement award plan covering substantially all of its permanent employees. The benefits are based on years of service and the employee's compensation during the final year of employment. The cost of this program is being funded currently.
The Corporation also pays a portion of the cost of health care plans for substantially all retirees or surviving spouses of retirees. The Corporation measures the costs of its obligation based on its best estimate. The cost of this program is being funded currently.
Permanent employees are members of the Nova Scotia Public Service Superannuation Plan.
The Corporation accrues its obligations under employee benefit plans as the employees render the services necessary to earn the employee future benefits. The Corporation has adopted the following policies:

- The cost of pension benefits is the responsibility of the Province of Nova Scotia. The pension related assets and liabilities are accounted for in the Public Accounts of Nova Scotia. Accordingly no provision is included in the Corporation's financial statements for pension related amounts;
- The cost of other retirement benefits earned by employees is actuarially determined using the projected benefit method pro rated on service and management's best estimate of expected salary escalation, retirement ages and expected health care costs; and
- The excess of the net actuarial gain or loss over 10% of the benefit obligation is amortized over the average remaining service period of active employees, which is 14 years (2001 - 15 years).

Effective for fiscal years beginning on or after January 1, 2000, the CICA revised its existing standard for pensions and developed new accounting standards for employee benefits other than pensions. During 2002 the Corporation has adopted the revised standards for its two defined benefit plans. The changes have been applied retroactively and have increased the deficiency at March 31, 2001 as previously reported by $12,702. The change in accounting for employee future benefits has had the effect of increasing other expense by $603 in 2002 (2001 - $654).

The Nova Scotia Liquor Corporation has an obligation under a capital lease, which matures in 2012. The obligation represents the total present value of future minimum lease payments discounted at the rate implicit in the lease which is 13.8%. The following is a schedule by years of future minimum lease payments together with the balance of the obligation under capital lease as of March 31, 2002:

2003	$ 1,536
2004	1,537
2005	1,536
2006	1,537
2007	1,536
2008 - 2012	7,298
Total minimum lease payments	14,980
Less amount representing interest	6,820
Balance of obligation	8,160
Less current portion of obligation under capital lease	423
	$ 7,737

The Corporation has two defined benefit plans as described in note 1 (d).
Information about the Corporation's defined benefit plans, in aggregate, is as follows:

	2002	2001
Accrued benefit obligation:		
Balance, beginning of year	$ 11,852	$ 12,048
Current service cost	492	504
Interest cost	838	786
Benefits paid	(727)	(636)
Actuarial gains	-	(850)
Balance, end of year, and funded status - deficit	12,455	11,852
Unamortized net actuarial gain	850	850
Accrued benefit liability	**$ 13,305**	**$ 12,702**

The significant actuarial assumptions adopted in measuring the Corporation's accrued benefit obligations are as follows:

	2002	2001
Discount rate	7.05%	6.56%
Rate of compensation increase	4.50%	4.50%

The assumed health care cost trend rate at December 31, 2001 was 12%, decreasing at 1% per annum to an ultimate rate of 5.0% per annum.

The Corporation's net benefit plan expense is as follows:

	2002	2001
Current service cost	$ 492	$ 504
Interest cost	838	786
Net benefit plan expense	**$ 1,330**	**$ 1,290**

The Corporation leases buildings, premises and equipment under operating leases which expire at various dates between 2002 and 2011. Some of these operating leases contain renewal options at the end of the initial lease term.

The following is an approximate schedule by years of future minimum rental payments required under operating leases that have initial lease terms in excess of one year, as of March 31, 2002:

2003	$ 2,779
2004	2,412
2005	1,900
2006	1,249
2007	862
2008 - 2011	1,561
Total minimum payments required	**$ 10,763**

Administrative expenses also include the following:

	2002	2001
(In thousands of dollars)		
Interest on obligation under capital lease	$ 1,168	$ 1,216

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

Financial Statements of the Nova Scotia Liquor Corporation
Year Ended March 31, 2002

To the Honourable Minister
in Charge of Administration
Liquor Control Act
Province of Nova Scotia
Halifax, Nova Scotia

We have audited the balance sheet of The Nova Scotia Liquor Corporation (formerly The Nova Scotia Liquor Commission) as at March 31, 2002 and the statements of earnings and deficiency and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of The Nova Scotia Liquor Corporation as at March 31, 2002 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

KPMG LLP

Halifax, Canada
June 7, 2002

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(In thousands of dollars)		
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Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

In 2001/02, over and above a profit of $144,000,000, the NSLC collected over $58,000,000 on behalf of the Provincial and Federal Governments (Harmonized Sales Tax).

These funds were put to work funding worthwhile programs, building roads, helping pay for schools, education and community projects.

WHERE YOUR DOLLARS GO

For every dollar spent at the NSLC:

50.5% - goes to Cost of Stock

36.7% - goes to Profit

9.5% - goes to Store Operations

2.1% - goes to Administration

1.2% - goes to Warehousing & Distribution